



## ANNUAL REPORT

# 2018/2019



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All new Section 57 (now 56's) are sent for competency tests and that is given to the MM and the panel.4.2

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## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY



**Cllr. LF Maloka**  
**Executive Mayor: Lesedi Local Municipality**

The municipality is continuing to embark on an effort to be performance and people centred as outlined in the vision of the municipality. In this regard the municipality will continue to roll-out programmes to embark on the roll out of the organization wide performance management.

With another financial year having come to an end, it gives me a great pleasure to present a report that gives an account on our work through the year under reporting and to detail the service delivery progress as mandated by the Constitution of the Republic of South Africa and the relevant local government legislation.

This report is measure of our work that we set before ourselves as the municipality at the beginning of the financial year. Usually, at the beginning of each financial year we set for ourselves targets that we want to achieve in relation to our Integrated Development Plan and Budgets.

This we do so through the inputs of the members of the community during IDP Forums, Imbizo's and Ward meetings, who are key partners in the developmental goals of our government, and therefore their voice becomes our guiding tool in the preparations of the plans and budgets at the beginning of each financial year.

We set targets and goals for ourselves with an intention of serving the community to the best of our abilities and with a political will and mandate to ensure that our communities are served better. Setting a high standard for ourselves is also a challenge in itself because we have to maintain and even surpass that standard.

In serving our communities, we have to be selfless, radical and unapologetic because of the hardships of years and years that our people have gone through. It is therefore incumbent upon us that having this chance of leading this municipality, we have to give confidence to our people that we are really the government of the people.

This annual report contains all our efforts in fulfilling the mandate of electorate and the demands of the back to basics approach.

At the same time, we also acknowledge our shortcomings in meeting some of the needs of our community and also interventions that we envisage to implement in order to address those deficiencies.

In the year under review the municipality has successfully delivered on most of the funded capital projects as indicated in the IDP, and with specific focus on less developed areas, such as Vischkuil/ Kwazenzele, Devon/ Impumelelo and Jameson Park. Furthermore, there was an emphasis on maintaining and upgrading of the infrastructure in the well-developed areas of our municipality. Amongst others, projects such as resealing of roads, retrofit of streetlights and replacement of water asbestos pipe have been successfully implemented.

All of us as the public representatives of this Municipal Council have expressed a political commitment to deliver the services and also unblock any bottlenecks that hampered service delivery.

In delivering the basic services to our communities, it has been paramount to us to ensure that our budgeting is aligned with our priorities, and also to ensure that we account on every little cent of the public money spent.

Our service delivery programmes have been designed to meet and carry out the priorities of the ANC's 2016 Local Government Manifesto:

- Building local economy to create more employment and sustainable livelihoods,



- Improving local public services and broaden access to them
- Building more united, non-racial, integrated and safer communities
- Promoting more active community participation in local government
- Ensuring more effective, accountable and clean local government that works together with national and provincial government.

On the same breath the local economy needs to grow with the specific focus on job creation to alleviate unemployment especially on the youth sector of our population.

Therefore, going forward the municipality will also have to invest in the installation of bulk services to support local economic development. The programme like Mega Agri-Park through the assistance from the Gauteng Department of Economic Development will improve the level of access to markets by local agricultural entrepreneurs. This will not only provide for food security but will also address unemployment and poverty in the region.

The revision of the LED strategy, will assist the municipality to forged partnership and lure more investors in our area.

We have worked hard to ensure that we deliver basic services and that we carry other works such infrastructure projects, road maintenance, business development, public private partnership, sports and recreation, and many other programmes in collaboration with the provincial and national government.

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**Cllr. LF Maloka**

**Executive Mayor: Lesedi Local Municipality**

## MUNICIPAL MANAGER'S FOREWORD

The financial year 2018/19 was marked by a variety of achievements that we proud ourselves with as the municipality in an endeavour to provide service delivery to our communities with efficacy. The municipality has remained financially viable and maintained unqualified audit opinion with a reduction in matter of emphasis. Revenue enhancement remains the focal point of our revenue generation and we have been able to close the year with a collection rate of 84% versus the billing. The municipality is able to meet all its financial obligation, by ensuring that all our service providers are paid on time, including ESKOM, Rand Water and ERWAT. We will continue ensuring that our municipality remains financially solid to assist the most venerable sectors of our communities that consist of indigent people, by providing necessary free basic services in the form of 6kl of water and 50kwh of electricity among other things. The municipality will forge partnerships with other role player to attract investment and to improve the skill levels with the communities.

Some of the investments that where realised in the implementation of the LED strategy are listed below;

- Zone of Opportunity
- Petroleum Liquid Storage Facilities
- The process of establishing the Lesedi Transit Hub is underway.
- The process of establishing the Biogas plant is underway
- The feasibility studies to upgrade the Aerodrome have been initiated.

The municipality is currently embarking on the revision of our LED and Tourism Strategy to position ourselves as the gateway into Gauteng and to attract investors and more tourists into the area..

This annual report will also demonstrate how the municipality is providing communities with access to basic services and show significant improvements in the lives of the residents of the Lesedi Local Municipality. The municipality will also insure that all

stakeholders are consulted through our public participation initiatives, on all areas that affect the lives of the communities, since the input of the public remains key in building a developmental local government.

## REVISED ANNUAL REPORT TEMPLATE

The financial years contained in this report are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and

We wish to thank all relevant municipal employees for their inputs and support throughout the development of this document.

### 1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Lesedi Local Municipality can be described primarily as a rural area, the major urban concentration located in Heidelberg/Ratanda, which is situated along the N3 freeway at its intersection with Provincial Route R42, east of the Suikerbosrand Nature Reserve and also traversed by the R23 South-West of the Alice Glockner Nature reserve. Devon/Impumelelo, which is situated on the eastern edge of the Municipal area, abutting the N17 freeway on the north is a significant rural settlement, while Vischkuil/ Endicott east of Springs abutting Provincial Route R29 is a smaller rural centre

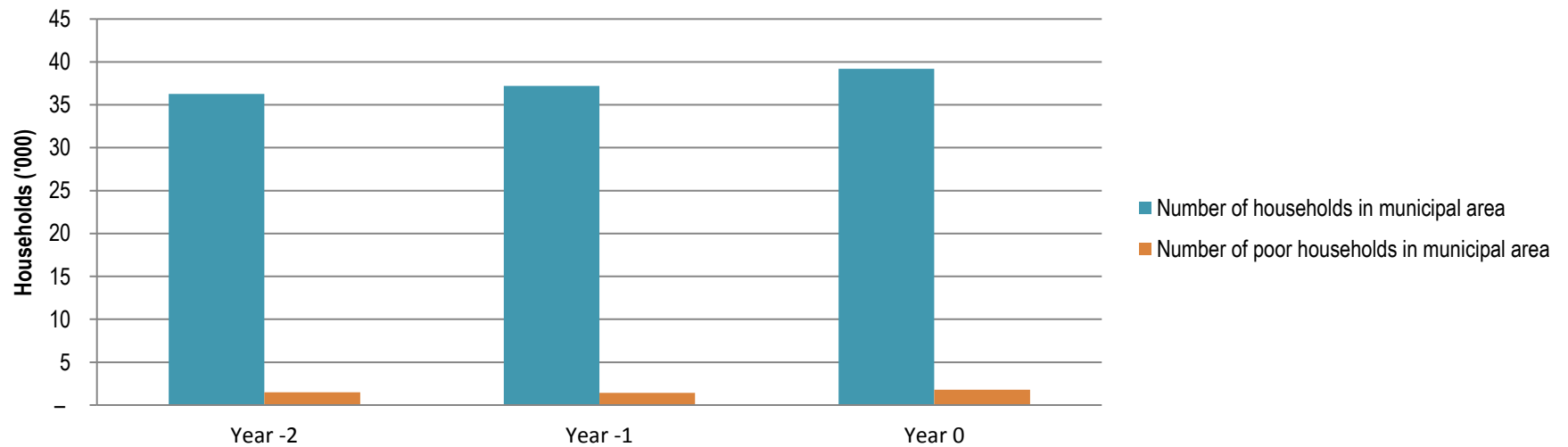
According to Statistic South Africa the population projection of Lesedi is estimated at 112 970, which reflects population increase of about 23 000 since 2007. Approximately 70.7% of the total population of Lesedi resided in the urban areas of Heidelberg / Ratanda and Devon / Impumelelo, while the rest 29.3% are categorised as rural areas

# Chapter 1

Population Details									
Age	2016/2017			2017/18			2018/19		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	6236	6361	12797	6236	6361	12797	5451	5457	11075
Age: 5 - 9	4938	4438	9376	4938	4438	9376	5662	5460	11272
Age: 10 - 19	8355	8066	16421	8355	8066	16421	8974	8661	17909
Age: 20 - 29	13053	10003	23056	13053	10003	23056	9428	7959	17390
Age: 30 - 39	9422	8649	18071	9422	8649	18071	10745	9195	20046
Age: 40 - 49	7507	6365	13872	7507	6365	13872	7751	6835	14570
Age: 50 - 59	4616	5642	10258	4616	5642	10258	5204	5390	10184
Age: 60 - 69	2593	2795	5388	2593	2795	5388	3720	3667	7252
Age: 70+	1572	2159	3731	1572	2159	3731	2197	2674	4587
Source: Statistics SA					T 1.2.2				

# Chapter 1

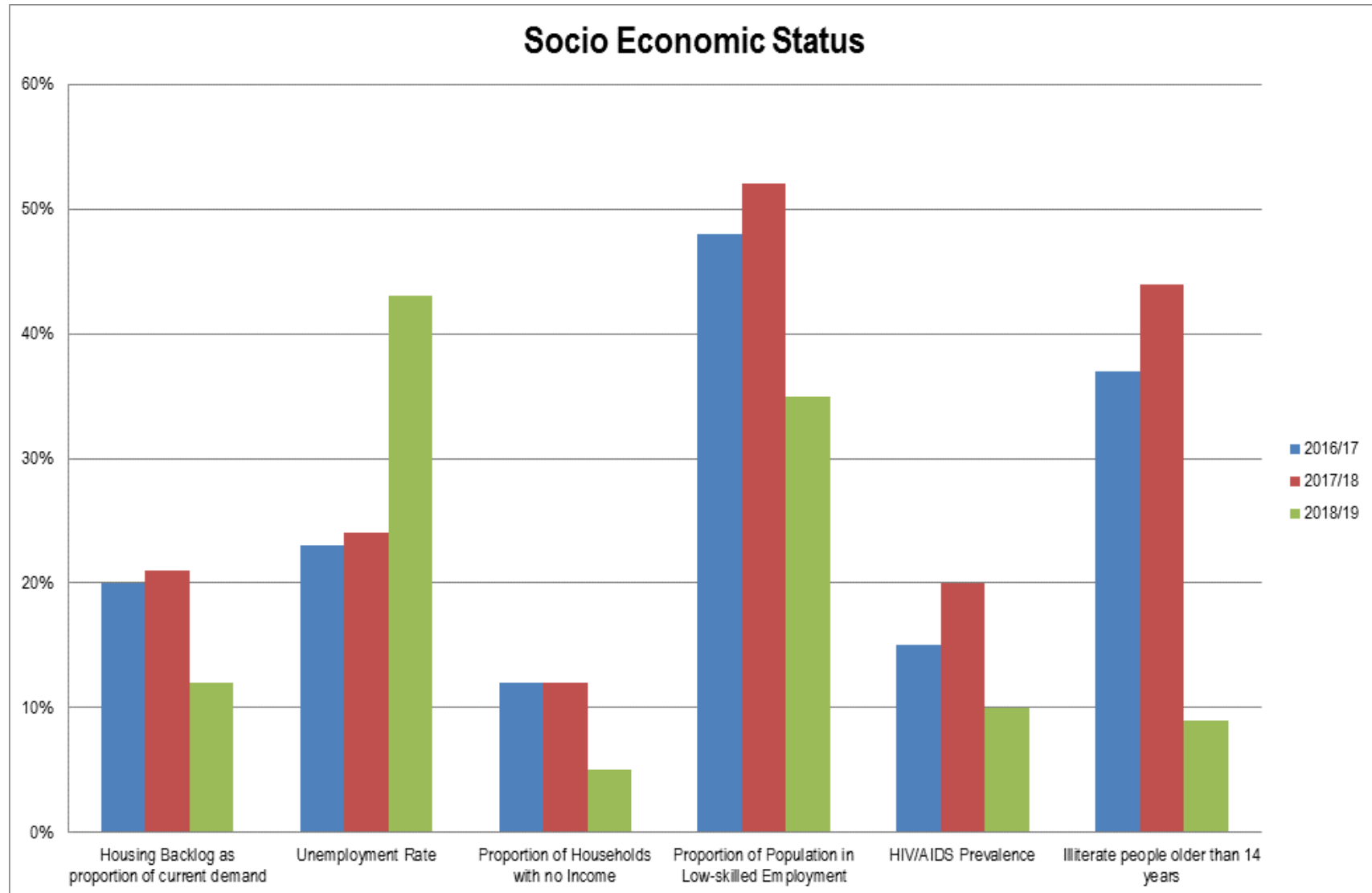
## Households



Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2016/17	20%	23%	12%	48%	15%	37%
2017/18	21%	24%	12%	52%	20%	44%
2018/19	12%	43%	5%	35%	10%	9%
Data supplied by: Quantek						

T 1.2.4

# Chapter 1



# Chapter 1

From the above statistics, it is evident that there has been steady improvement in the lives of the Lesedi Local Municipality residents. With the interventions from various educational projects like Khari-Khude and ABET, there is a significance decline on persons who are illiterate.

Overview of Neighbourhoods within Lesedi		
Settlement Type	Households	Population
Towns		
Heidelberg	8285	23300
Devon	580	2300
<b>Sub-Total</b>	<b>8865</b>	<b>25 600</b>
Townships		
Ratanda	8662	46,489
Obed Nkosi	1742	3750
Heidelberg Ext 23 & 26	3249	14647
Impumelelo	2222	7269
Jameson Park	984	1761
<b>Sub-Total</b>	<b>16 859</b>	<b>73 916</b>
Rural settlements		
Vischuil and Endicott	708	983
Kwazenzele	287	1900
Surrounding Farms	630	1500
<b>Sub-Total</b>	<b>1625</b>	<b>4383</b>
Informal settlements		



# Chapter 1

Overview of Neighbourhoods within Lesedi		
Settlement Type	Households	Population
Ratanda	2540	4101
Impumelelo	890	2700
Kwazenzele	745	2270
<b>Sub-Total</b>	<b>4175</b>	<b>9071</b>
Total	31 524	112970
T 1.2.6		

NB. Own Statistical Data

Natural Resources	
Major Natural Resource	Relevance to Community
Suikerbosrand Game Reserve	Heritage, Tourism and leisure.
Alice Glockner Game Reserve	Heritage, Tourism and leisure.
Blesbokspruit River	Water Resource
Suikerbosrand river	Water source
T 1.2.7	

# Chapter 1

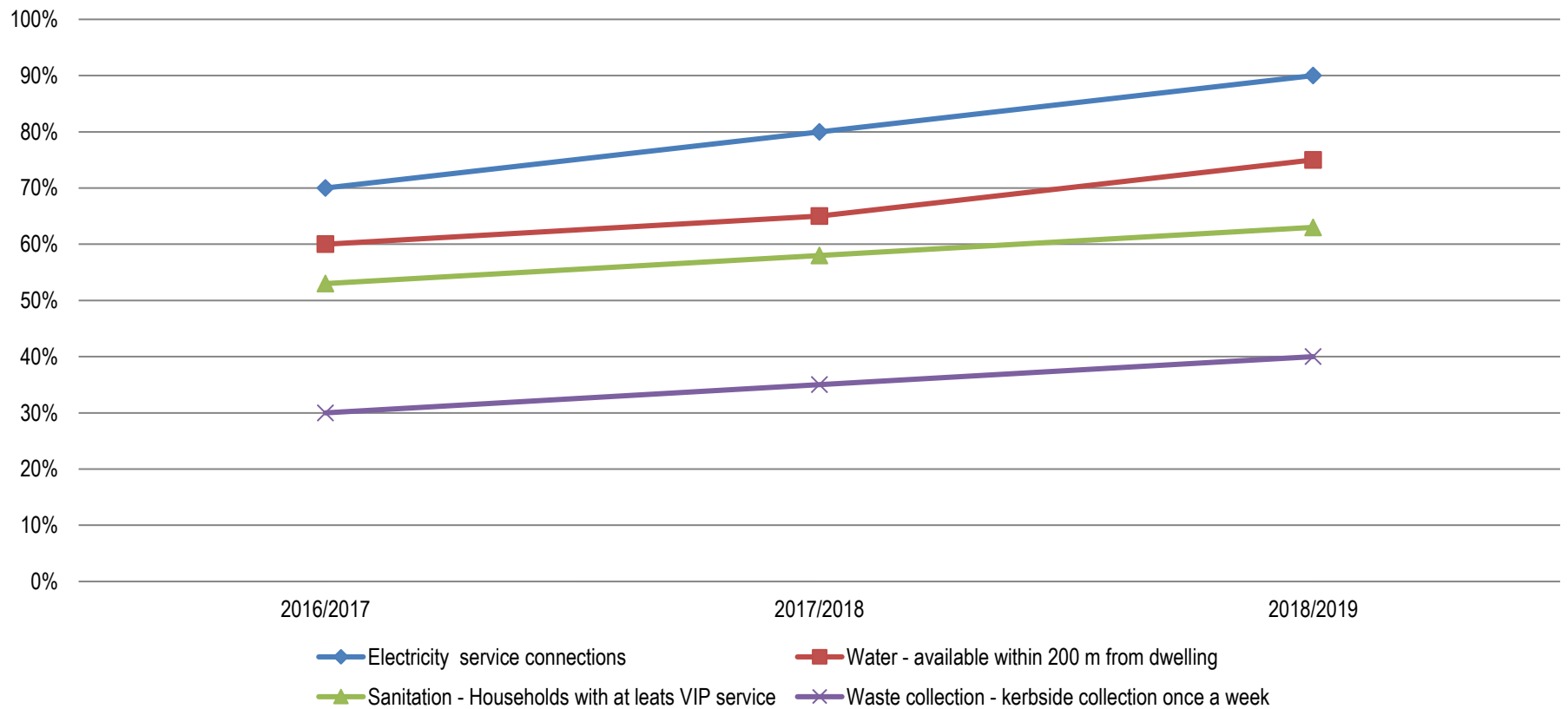
## 1.2. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

The Lesedi local Municipality is in a positive trend in terms of basic services provision to its residents, the services that are rendered are as follows: water, sanitation, refuse removal, electricity and roads & storm water. All registered indigents households receive free basic services in the form of water and electricity. All formalized houses on formalized stands have access to water; sewer, electricity connections and all informal houses have in a radius of 200m water. The municipality do not provide electricity to informal settlements. Informal settlements in Kwazenzele have VIP toilets 10 households use 2 VIP toilets. All indigents received 6 kl of water and 50 kWh electricity free. Mega Housing projects will assist in eradicating informal settlements in the area.

Proportion of Households with minimum level of Basic services				
	2015/2016	2016/2017	2017/2018	2018/2019
Electricity service connections	80%	70%	80%	90%
Water - available within 200 m from dwelling	97%	60%	62%	75%
Sanitation - Households with at least VIP service	90%	53%	58%	63%
Waste collection - kerbside collection once a week	90%	30%	35%	40%

## Proportion of households with access to basic services



# Chapter 1

## COMMENT ON ACCESS TO BASIC SERVICES:

Though the Municipality strives to accelerate access to basic services for all the residents within its locality, the prevalence of informal settlement emanating from migration is still a challenge. People migrate from rural to urban areas in search of better life and humane conditions, movement of people from the neighbouring countries to the Republic of South Africa also exert pressure on the infrastructure and actual budgeting for provision of basic services.

## 1.3. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

The municipality realised a surplus of R37 499 003 for the financial year and this was mainly due to strict financial management in the municipality achieved by limiting expenditure to service delivery related items, strict budget control and the implementation of the credit control policy.

The municipality will continue to fully implement the policy and maintain sound and stable financial environment during the 2018/19 financial year to ensure improved, consistent and sustainable financial viability of the municipality.

Financial Overview: 2018 - 19			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	207 686	211 371	192 811
Taxes, Levies and tariffs	87 152	858 415	833 529
Sub Total	294 838	1 069 786	1 026 340
Less: Expenditure	817 331	792 983	796 030
Net Total*	-522 493	276 803	230 310
* Note: surplus/(defecit)			T 1.4.2

# Chapter 1

Operating Ratios	
Detail	%
Employee Cost	24%
Repairs & Maintenance	4%
Finance Charges & Impairment	18%
	<i>T 1.4.3</i>

## COMMENT ON OPERATING RATIOS:

**Employee Costs** – 24% of total operating expenditure. This is within the expected norm of 27%.

**Repairs and maintenance costs** - 4% of total expenditure. This appears very low when compared to expected norm of 8% and this is due to budget and cash constraints which limit the municipality when it comes to the ability to perform required repairs and maintenance of municipal infrastructure.

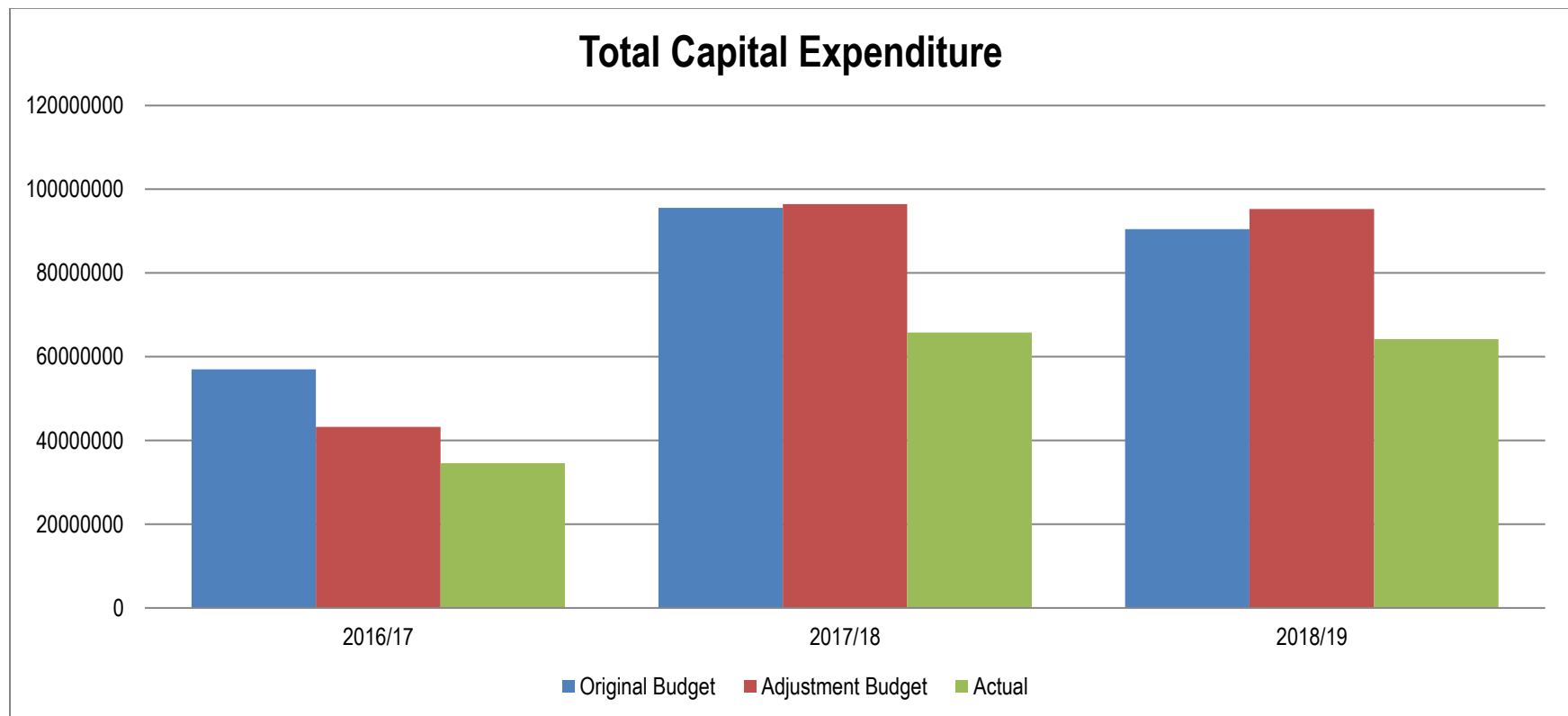
**Finance charges** – 1% of total expenditure indicates that even though the municipality is in a position to take on additional debt to finance infrastructure investments, it is rather concentrating on improving cash flow by implementing credit control and thus making the debt book liquid enough to internally fund such projects.

Total Capital Expenditure: Year -2 to Year 0				R'000
Detail	2016/17	2017/18	2018/19	
Original Budget	570110	95562	90467	
Adjustment Budget	43244	96422	95270	
Actual	34574	65817	64240	
				<i>T 1.4.4</i>

# Chapter 1

## COMMENT ON CAPITAL EXPENDITURE:

The municipality spent 67, 4% of its Capital expenditure. Own funded Capital expenditure was poor due to cash constraints. This was in line with the collection rate of 84% for the financial year as own funded projects depends on the extent to which the municipality is able to collect its revenue.



## ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

In the Auditor General (AG) Report (2015/16) findings were made on the organizational re-engineering process that was conducted in 2014/15 financial year. Issues of overspending, skills transference and job descriptions did not exist for a group of positions on the organizational structure. The South African Local Government Association (SALGA) confirmed that the service provider used was not accredited to conduct TASK job evaluation in the local government sector. As a result, a resolution was taken by Council to rationalize the re-engineering process already undertaken.

The process of organisational re-engineering was initiated in 2017/18 and will be concluded in the next financial year (2019/20). The following stakeholders were consulted in this regard;

Departmental Heads and their teams.

Senior Management Team

Councillors.

With regards to Human Resources we have seen great improvement in terms of policy development as critical HR Policies were developed and reviewed, amongst others the following key policies: namely; Leave Management Policy; Recruitment Policy; Code of Conduct and Disciplinary Procedure.

# Chapter 1

## 1.4. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: 2018/19 financial year

The municipality maintained an unqualified audit opinion on the regularity audit in the previous financial years.

status of audit report**:	
Status of audit report**:	Qualified opinion on audit of performance information.
Non-Compliance Issues	Remedial Action Taken
Non-compliance with municipal performance regulations	Development of standard operating procedures to address short comings in the municipalities performance management system
* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0	
** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.	
T 6.2.2	

AGSA report is Attached as Annexure.



# Chapter 1

## 1.5. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 2018/19 Annual Report to Internal Audit and Auditor-General.	
5	Municipal entities submit draft annual reports to the Municipal Manager.	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant).	August
8	Mayor tables the unaudited Annual Report.	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase.	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data.	September - October
12	Municipalities receive and start to address the Auditor General's comments.	January
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report.	
14	Audited Annual Report is made public and representation is invited.	
15	Oversight Committee assesses Annual Report.	
16	Council adopts Oversight report.	March
17	Oversight report is made public.	

## Chapter 2

18	Oversight report is submitted to relevant provincial councils.	
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# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

Proper distinction has been made between role players conducting governance in the municipality. This distinction is essential because each group on the level of governance has specific responsibilities and has therefore specific roles to play for which they are accountable. In accordance with the Municipal Systems Act (Act 32 of 2000), these roles should be subjected to performance and risk management and eventually to internal and external audit to verify the processes and the outcomes.

Councilors are elected by the community and therefore the community members hold Councilors responsible for service delivery and the implementation of Batho Pele Principles. The administration is appointed to execute the resolution of the Council and the administration is accountable to Council. There is an approved Performance Management System of the municipality. Roles and responsibilities as outlined in the planning documents of the council (IDP, Budget & SDBIP) are cascaded down to key employees of the municipality. The implementation thereof is monitored and reviewed on a quarterly basis.

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipality as indicated in the Constitution of the Republic of South Africa in terms of section 151 (3) has established structures as required by Municipal Structures Act (Act No.117 of 1999) to govern its affairs. The municipality comprises of 26 Councillors.

- Thirteen (13) Ward Councillors
- 
- Thirteen (13) PR Councillors

# Chapter 2

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26 Councillors also comprise of the Executive Mayor, Speaker of Council and Five (5) Members of the Mayoral Committee. Through the delegated powers of authority, the oversight responsibility is shared amongst the established Council committees e.g. Section 80/79.

The Municipal Manager is central in ensuring that the roles and the responsibilities of these structures of the municipality are implemented as outlined in the Municipal Systems Act, (Act No.32 of 2000 as amended) Municipal Structures Act (Act No.117 of 1999 as amended) and other related legislation. The office of the Municipal Manager consists of the Monitoring and Reporting function which deals with Performance and Risk Management as well as Internal Audit for the provision of quality assurance services.

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

Lesedi Local Municipality consists of the following Council committees;

- Mayoral Committee
- Five (5) Section 80 Committees
- Two (2) Section 79 Committees i.e. MPAC and Petitions
- Performance and Audit Committee
- Remuneration Committee

All committees of Council are fully functional.

## Chapter 2



### **POLITICAL STRUCTURE**

**EXECUTIVE MAYOR**  
(Cllr L F Maloka)

#### **Functions**

- identify the needs of the municipality
- review and evaluate these needs in order of priority;
- recommend to the municipal council strategies, programmes and services to address priority needs through the Integrated Development Plan (IDP);
- recommend or determine the best methods, including partnership and strategies, programmes and services to the maximum benefit of the community.



**SPEAKER**  
(Cllr MNR Nkosi)

#### **Functions**

- ensure that the council meets at least quarterly;
- preside at meetings of the council;
- maintain order during meetings; ensure compliance in the council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, No. 32 of 2000;
- Ensure that council meetings are conducted in accordance with the rules and orders of the council;
- promotes public participation.

# Chapter 2



**Cllr. Lerato Maloka**  
Executive Mayor



**Cllr. Mluleki Nkosi**  
Speaker Of Council

## LESEDI LOCAL MUNICIPALITY COUNCILLORS

### MEMBERS OF THE MAYORAL COMMITTEE



**Cllr. Simon Moremi**  
Corporate Services  
PR - ANC



**Cllr. Katty Rakitta**  
Community Services  
PR - ANC



**Cllr. Thembi Ramothibe**  
Finance  
WARD 3 - ANC



**Cllr. Mapule Motsepe**  
Infrastructure  
WARD 11 - ANC



**Cllr. Themba Motsepe**  
Local Economic  
Development & Planning  
PR - ANC

### PR - COUNCILLORS



**Cllr. Lulama Gamede**  
PR - ANC



**Cllr. Thulani Nyembe**  
PR - DA



**Cllr. Simphiwe Hlatshwayo**  
PR - DA



**Cllr. Bontle Mogorosi**  
PR - DA



**Cllr. Mari Boshoff**  
PR - FF PLUS



**Cllr. Manthatisa Sabasaba**  
PR - EFF



**Cllr. Zinhle Abdullah**  
PR - EFF



**Cllr. Moleboheng Malefela**  
PR - EFF

### WARD COUNCILLORS



**Cllr. Mziwakhe Motshonyane**  
WARD 1 - ANC  
ANC - CHIEF WHIP



**Cllr. Rose Mchunu**  
WARD 2 - ANC



**Cllr. Sibongile Magazi**  
WARD 4 - ANC



**Cllr. Themba Gama**  
WARD 5 - ANC



**Cllr. Tressa Mofokeng**  
WARD 6 - ANC



**Cllr. Zanele Twala**  
WARD 7 - ANC



**Cllr. Mirna Mulder**  
WARD 8 - DA



**Cllr. Gerry Holtzhausen**  
WARD 9 - DA



**Cllr. Sieghard Paul**  
WARD 10 - DA



**Cllr. Smith Mnyakeni**  
WARD 12 - ANC



**Cllr. Mashale Lukhele**  
WARD 13 - ANC



**LESEDI**  
Local Municipality

**"PEOPLE CENTERED,  
PERFORMANCE DRIVEN  
MUNICIPALITY"**

## COUNCILLORS

## POLITICAL DECISION-MAKING

Items or reports are generated from departments and are tabled before the Senior Management Team (SMT). Items or reports agreed in this meeting are further tabled before the applicable Section 80 Committees and to the Mayoral Committee. The Mayoral Committee resolutions and recommendations are tabled before the Council. All decisions taken by Council are implemented accordingly

## 2.2 ADMINISTRATIVE GOVERNANCE

The Administrative Pillar is comprised of the Municipal Manager and five (5) Executive Managers responsible for the following departments;

Finance  
Corporate and Legal  
Community Services  
Infrastructure Services  
Local Economic Development and Planning

In conjunction with the Council's leadership, the Municipal Manager's role is to drive the vision, mission and strategic direction of the municipality as articulated in the Integrated Development Plan of the municipality;

Develop and implement business objectives, performance targets and operational efficacy of the municipality;

Set the tone at the top of the administration regarding the organisational ethics, code of conduct and values;

Provide leadership in the budgeting process guided by informed projections of revenues and expenditures, as well as oversee sound financial management and controls;

Develop, foster, maintain and review key and strategic relationships with key stakeholders;

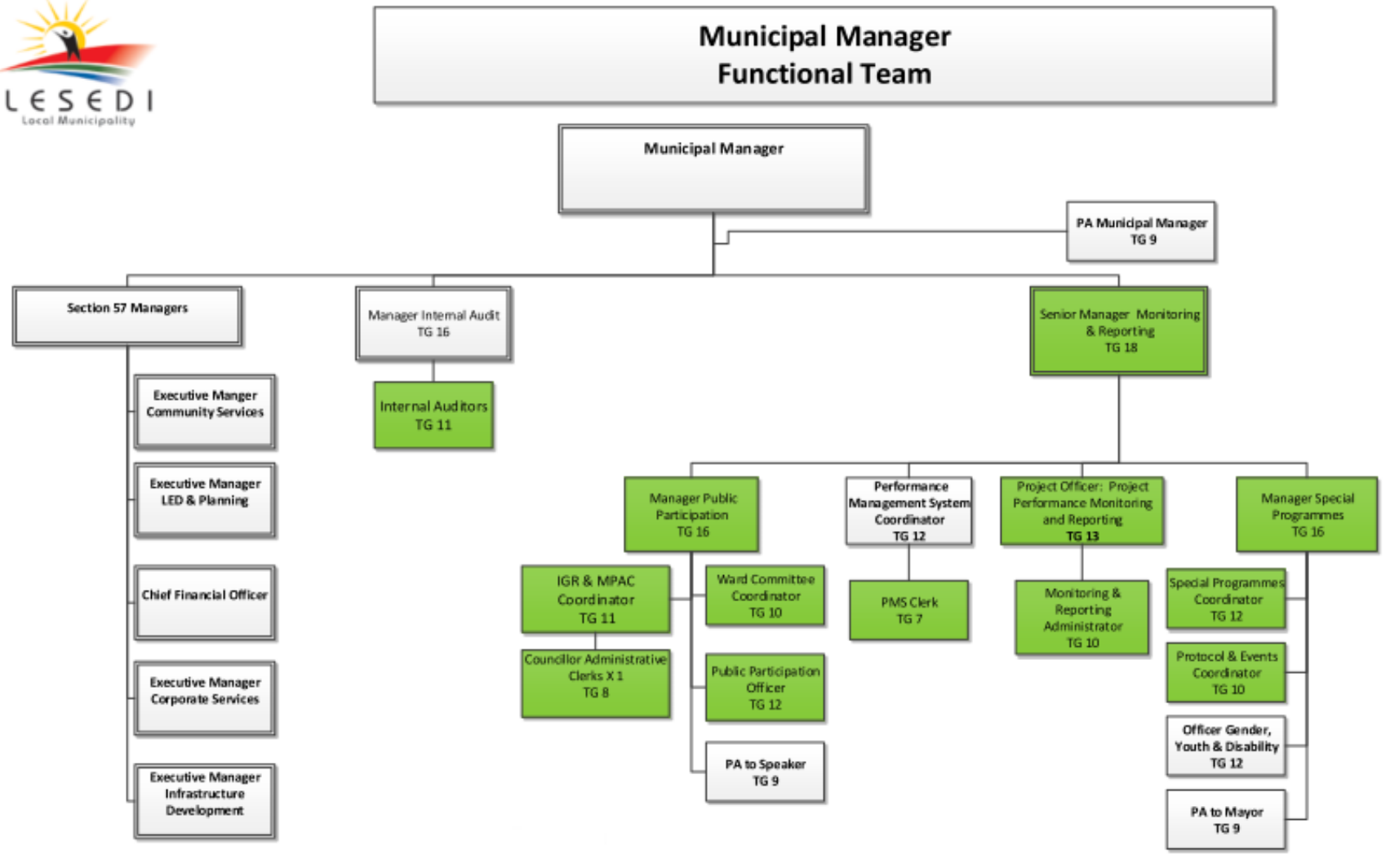
Maintain an effective and reliable risk management and governance process and systems;

Ensure the maintenance of a monitoring and evaluation function and processes to monitor all activities, programs and projects; and

Ensure compliance and adherence to the applicable legislation, regulations, policies and rules impacting on local government



## ORGANISATIONAL STRUCTURE



## COMPONENT B: INTERGOVERNMENTAL RELATIONS

Lesedi Local Municipality operates within the prescripts of the Democratic Constitution of South Africa, 1996 where local government is one of the spheres of government. The promulgation of the Intergovernmental Relations Framework Act (Act No. 13 of 2005) provides a regulatory framework within which all the spheres of government interact. The Municipality is not excluded and fully participates in all the intergovernmental structures that operate provincially and nationally. These structures enable the Municipality to contribute to legislative undertakings. Such structures operate within the framework of existing legislative to provide support and assist Municipalities to execute their legislative imperative. Committees have been set up vertically and horizontally to execute intergovernmental responsibilities. Grants and various support mechanisms are deliberated along the provisions expressed in various pieces of legislation. Most of these forums are coined along the lines of various government functions. They take the form of Members of Executive Councils and Members of Mayoral Committees forums, Premiers Coordination Forums, Municipal Manager's Forum, Chief Financial Officers forums and Chief Information Officers' Forum. These forums operate within the sphere of organized local government within the auspices of the South African Local Government Association, District Municipalities and Pan-Municipal Departments where policy and programmatic schedules are determined.

### 2.2 INTERGOVERNMENTAL RELATIONS

#### NATIONAL INTERGOVERNMENTAL STRUCTURES

The National Government has seconded Municipal Infrastructure Support Agency (MISA) to assist the municipality on service delivery initiatives.

### PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The municipality forms part of the Premier's coordinating forums, Provincial Sector Intergovernmental which comprises of MEC, MMCs and the sectoral technical IGR Forums which comprise of senior officials. There are also ongoing and regular engagements with different provincial government departments

### DISTRICT INTERGOVERNMENTAL STRUCTURES

Lesedi Local Municipality forms part of the District wide IGR processes. Such structures are: Joint Mayoral Committee, CFO forum and Joint Municipal Managers (MM's forum).

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality has established thirteen (13) ward committees which are sector based and monthly meetings are conducted. The objective of the committees is to increase consultation and improve service delivery.

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

#### **IDP/ BUDGET COMMUNITY FORUMS**

During the annual review of both the Integrated Development Planning (IDP) and Budget, the Lesedi Local Municipality (LLM) ensures that all relevant stakeholders are involved in developing these plans, in accordance with the prescripts of Municipal Systems Act and the MFMA. In the year under review the LLM has robustly increased the number of participants during IDP/Budget Representative fora, inclusive of the areas where it remained impossible to get maximum involvement of the communities. The social media platforms were effectively used to increase the number of participants in the IDP/Budget meeting.

A total of twelve (6) meetings were held in the year under review. Meetings were held in Ratanda, Heidelberg, Devon/Impumelelo and Vischkuil/Kwazenzele respectively.

Furthermore, the scheduling of meetings took place to meet the requirements of the majority of the participants and most of the meetings were scheduled in the evenings. Though the material and documents handed to the participants were written in English, the meetings were mostly addressed in African Languages. All meetings were well attended and the attendance registers were kept for future reference.

IDP/ Budget meetings are always attended by stakeholders derive from our municipal data base; ward committee members; Community Development Workers; District Reps and NGO's. Our notices are placed on Local Newspaper and we send out notices to different stakeholders including SMSes. An invitation is also placed in our facebook page. Our IDP/Budget forums are area based i.e. Ratanda, Heidelberg and Devon.

Provincial and National sectoral departments are accorded an opportunity to comment through IDP Inter-sectoral engagements.

## WARD COMMITTEES

Ward Committees are part of the process and review of the integrated development plan (IDP). They support the Council on performance by means of the approved PRMS management system. They make inputs and ensure participation during the review of Council budget. Participate with strategic decision making relating to the provision of municipal services. They act as advisory committee to the Ward Councillor.

### 2.5 IDP PARTICIPATION AND ALIGNMENT

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Ward 1. Public meeting	13 Sep 2018; 05 Dec 2018; 11 June 2019	1	2	200	Yes	11 June 2019 public meetings
Ward 2. Public meetings	18 Sep 2018; 06 Dec 2018; 5 June 2019.	1	2	250	Yes	05 Jun 2019 public meeting

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Ward 3. Public meetings	11 Sep 2018; 17 Nov 2018; 27 Nov 2018; 12 Sep 2019; 16 Jan 2019; 23 Jan 2019; 20 Mar 2018; 27 June 219	1	2	210	Yes	17 Nov 2018; 20 Mar 2019; 12 Sep 2019 and 27 Jun 2019 public meetings
Ward 4. Public meetings	11 Sep 2018; 04 Dec 2018; 30 June 2019	1	2	240	Yes	04 Dec 2018
Ward 5. Public meetings	21 Aug 2018; 28 Nov 2018; 03 Feb 2019	1	2	230	Yes	28 Nov 201809
Ward 6. Public meetings	26 July 2018; 19 Aug 2018; 20 Jan 2019; 09 June 2019	1	2	195	Yes	19 Aug 2018, 09 Jun 2019Public meeting

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Ward 7. Public meetings	20 Nov 2018; 28 Nov 2018; 07 Feb 2019	1	2	160	Yes	28 Nov 2018 Public Meeting
Ward 8. Public meetings	28 Nov 2018	1	2	80	Yes	No feedback meeting
Ward 9. Public meetings	None	None	None	None	No	No feedback meeting
Ward 10. Public meetings	None	None	None	None	No	No feedback meeting
Ward 11. Public meetings	16 Aug 2018; 28 Nov 2018; 06 Dec 2018	1	2	170	Yes	28 Nov 2018, Public meeting



Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Ward 12. Public meetings	19 Aug 2018; 15 Nov 2018; 10 Feb 2019; 05 Mar 2019; 28 Apr 2019	1	2	200	Yes	15 Nov 2018; 28 Apr 2019 Public meeting
Ward 13. Public meetings	29 Jul 2018; 14 Aug 2018; 26 Sep 2018	1	2	140	Yes	14 Aug 2018, Public meeting

**COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:**

The Ward Public Meetings have proven to be effective in providing the public with a platform for consultation and sharing information. As a result social cohesion has been promoted thereby minimizing the community unrests.

<b>IDP Participation and Alignment Criteria*</b>	<b>Yes/No</b>
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

The municipality has corporate governance structures in place i.e. Audit Committee, Municipal Public Accounts Committee (MPAC), Section 80 Committees, Local Labour Forum (LLF), Management Committee, Mayoral Committee and Council. All these committees exercise different oversight at different intervals according to their roles and responsibilities. Policies and systems before being approved by Council go through these committees.

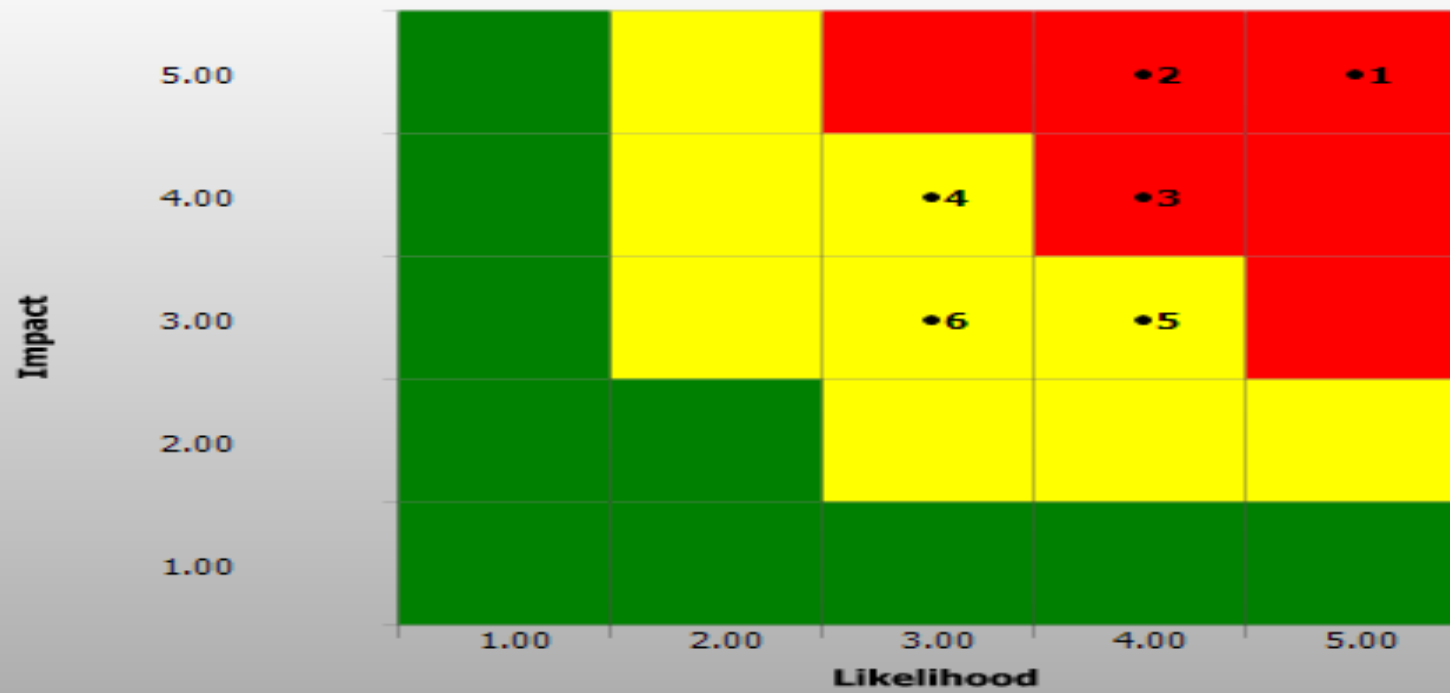
## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

The municipality has an approved Risk Management Policy and Framework in place. A risk assessment workshop was conducted during the 2018/19 financial year to identify strategic risks. The risks identified as per the Strategic Risk Report are as follows:

#### **SUMMARY OF STRATEGIC RISKS**

Seventeen (17) risks identified during the Risk Assessment process are shown below as prioritised by participants in terms of Residual Risk Exposure:



Title	RI	RL	RR	Point
Litigation.	5.0	5.0	25.0	1
Reputational / credibility damage.	5.0	5.0	25.0	1
Inability to provide firefighting service.	5.0	5.0	25.0	1
Insufficient/Inadequate provision of basic services.	5.0	5.0	25.0	1
Non-compliance to Occupational Health and Safety Act.	5.0	5.0	25.0	1
Loss of revenue.	5.0	5.0	25.0	1
Low economic growth and development.	5.0	4.0	20.0	2
Inadequate enforcement of the By-Laws.	5.0	4.0	20.0	2
Non-compliance with National Environmental Management Act (NEMA).	5.0	4.0	20.0	2
Inability to continue with operations in the event of disaster.	4.0	4.0	16.0	3
Loss of information.	4.0	4.0	16.0	3
Fraud and corruption.	4.0	3.0	12.0	4
Lack of Provision basic services in new areas.	4.0	3.0	12.0	4
Inability to deal with road maintenance and refurbishment.	4.0	3.0	12.0	4
Security breach (1. physical and 2. Electronic security).	3.0	4.0	12.0	5
Insufficient land use management system. (GIS).	3.0	3.0	9.0	6
Under spending on Capital Expenditure Projects (CAPEX).	3.0	3.0	9.0	6

#### FRAUD AND ANTI-CORRUPTION STRATEGY

Lesedi Local Municipality is affiliated with Public Service Commission (PSC) Fraud Hotline system wherein members of the community can report Fraud and Corruption activities. This system is accessible for 24 hours to community members to report cases which are then forwarded to the office of the Municipal Manager for further investigation.

The municipality has also forged partnership with The Ethics Institute of South Africa to develop relevant policies, improve awareness and reporting.

## 2.8 SUPPLY CHAIN MANAGEMENT

The Lesedi Local Municipality's Supply Chain Management (SCM) Policy was reviewed and adopted by council as required in June 2018. The requirements as stated under Section 112(h) of the MFMA were fully complied with. LLM's SCM policy complies fully with the SCM Regulations as gazetted.

## 2.9 BY-LAWS

By-laws were developed and publicised for public comments (33 in total). The promulgation of priority by-laws was done and these included the finance and LEDP by-laws. The legal department is in a process of publishing more by-laws in 2019/20 financial year.)

## 2.10 WEBSITES

<b>Documents published on the Municipality's / Entity's Website</b>	<b>Yes / No</b>
<b>Current annual and adjustments budgets and all budget-related documents</b>	Yes
<b>All current budget-related policies</b>	Yes
<b>The previous annual report 17/18</b>	Yes
<b>The annual report 2018/19 published/to be published</b>	Yes
<b>All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards</b>	Yes
<b>All service delivery agreements</b>	Yes
<b>All long-term borrowing contracts</b>	N/A
<b>All supply chain management contracts above a prescribed value (R 100 000.00) for 2018/2019</b>	Yes
<b>An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) of MFMA (Act No. 56 of 2003) during 2018/19</b>	N/A
<b>Contracts agreed in 2018/19 to which subsection (1) of section 33 apply, subject to subsection (3) of that section</b>	Yes
<b>Public-Private Partnership agreements referred to in section 120 made in 2018/19</b>	N/A

Documents published on the Municipality's / Entity's Website	Yes / No
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2018/19	Yes

All of the requirement information for Municipal websites as set out in MFMA section 75 is updated.

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality did not conduct a Customer Satisfaction Survey to measure the citizens' perception of all municipal services during 2018 / 2019 financial year, however the Customer is now operating for 24hrs, and the its performance is measured through the Implementation of the Key Performance Indicators as approved in the SDBIP.



## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The Department's key performance area as outlined in the IDP is basic services; the provision of basic services to the communities has increased over a number of years. The construction of 4.2 km of roads and stormwater at Obed Nkosi Township was implemented in the 2018/19 financial year, though there were constant challenges emanating from a number of factors including but not limited to the following: Closure of the construction sites by concerned groups and general service delivery protests in the area.

Construction of roads and stormwater project in Jameson Park also took place in the 2018/19 financial year though it will be overlapping to the 2019/20 Financial due to a number of challenges which were also encountered in the said area. The roads construction project will be rolled out over a number of financial years. Critical and deteriorated roads were resealed in Heidelberg as part of the multi-year road infrastructure renewal project. The Heidelberg Mall underpass was also repaired during the financial year.

The Municipality has embarked on a multi-year aging water supply renewal project, through the replacement of water pipelines in Heidelberg. The objective of the project is to ensure that the non-revenue water is reduced and water supply interruptions to consumers are minimized.

All the sewer handling pump stations within the Municipality's jurisdiction were upgraded and refurbished, in ensuring that the environment is protected against spillages and that communities are relieved from nuisance arising from sewer over-flows.

The Jameson-Park Electricity Sub-Station was upgraded in the current financial year, the said upgrades will ensure that industrial developments around the VOPAK terminal have adequate power supply and that frequent power supply interruptions in Jameson Park are minimized. The conventional street lights fittings were also replaced by LED's in effort to reduce the power consumption and also ensure that communities are safe through the provision of public lighting.

Electrification of the Ratanda Hostel was also completed, this will ensure that the users are converted from conventional to pre-paid system.

The new Devon Landfill Site became operational around November 2018, the operation of the site will ensure that jobs are created through recycling on the facility and that the disposal costs emanating from using sites which does not belong to the Municipality are reduced. The Landfill Site was constructed in-conjunction with the Gauteng Department of Economic Development as part of the Inthiriso Programme.

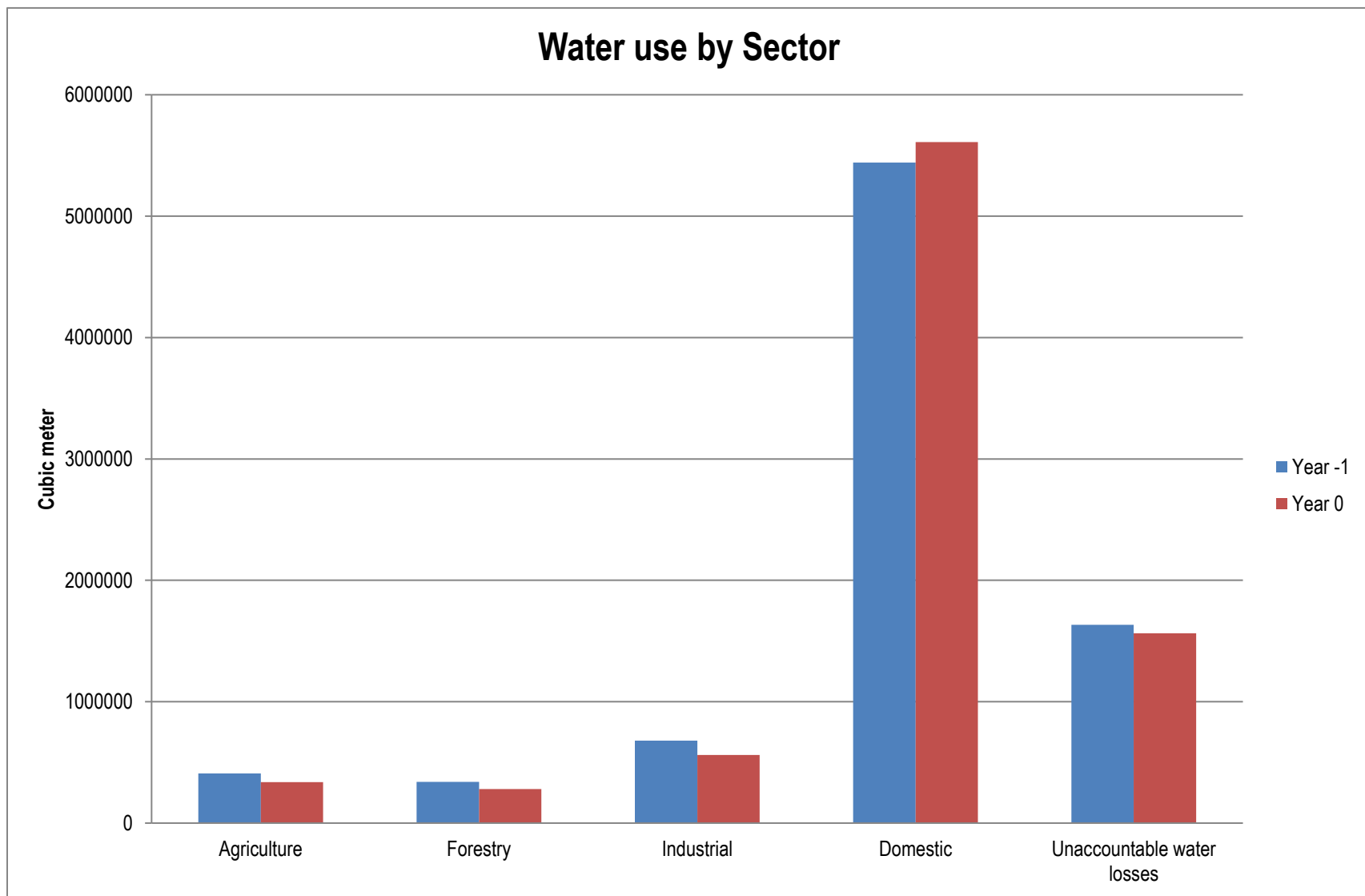
## COMPONENT A: BASIC SERVICES

South Africa as a developmental state is currently faced with challenges that lead to service delivery protests from members of the public, thus Lesedi Local Municipality as a local sphere of government it's not immune to such nationwide challenges. The municipality strives to provide quality and affordable services to all its residents, though there are challenges that emanate from migration and urbanization by people from other Provinces and across Africa into Gauteng Province in search of better life and work opportunities. The increased migration increase pressure on the existing infrastructure and general provision of basic services.

All the formalised settlements have access to water including the informal settlements through shared communal supply. Formalised settlements have access to Electricity, while there is no supply to the informal settlements since they are transitional areas which will be addressed by multi-year Mega Housing Projects. Settlements which are formalised have access to at least once a week waste collection and informal settlements utilises communal dumps.

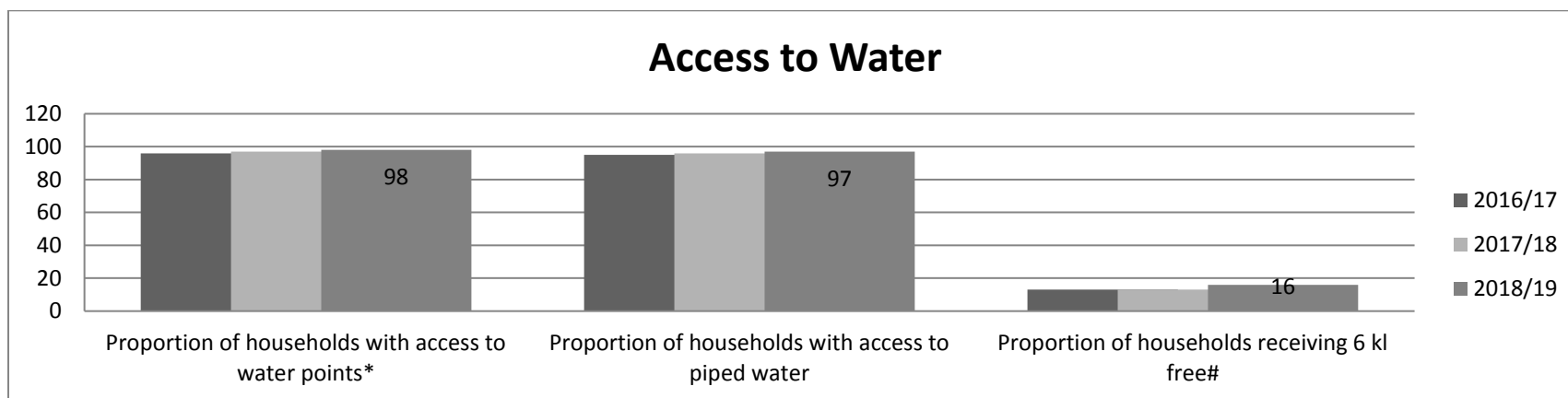
### 3.1. WATER PROVISION

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1	408088	340073	680146	5441137	1632352
Year 0	336664	280553	561107	5611075	1562845



Households - Water Service Delivery Levels below the minimum						
Description	2015/2016	2016/2017	2017/2018	2018/2019		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	39	39	39	1 000	1 000	100 000
Households below minimum service level	3	3	3	100	100	3
Proportion of households below minimum service level	7%	7%	7%	10%	10%	0%
<b>Informal Settlements</b>						
Total households	3	3	3	100 000	100 000	100 000
Households ts below minimum service level	0	0	0	50	50	50
Proportion of households ts below minimum service level	1%	1%	1%	0%	0%	0%
T 3.1.4						

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2016/17	96	95	13
2017/18	97	96	13
2018/19	98	97	16
T 3.1.5			



\* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute.

# 6,000 liters of potable water supplied per formal connection per month.

Water Service Policy Objectives Taken From IDP						
Service Objectives   <i>Service Indicators</i> (i)	Outline Service Targets   (ii)	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx						
<i>Households without minimum water supply</i>	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	N/A	N/A	N/A	N/A	N/A
<i>Improve reliability of water supply</i>	Reduce the number of interruptions ( <b>Ints</b> ) in supply of one hour or more compared to the baseline of Year -1 (xxx interruptions of one hour or more during the yr)	N/A	N/A	N/A	N/A	N/A
<i>Improve water conservation</i>	Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres ( <b>KLs</b> ) unaccounted for during the yr)	N/A	N/A	N/A	N/A	N/A

Employees: Water Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	33	33	40	0	0%
7 - 9	4	4	4	2	50%
10 - 12	8	8	8	1	13%
13 - 15	1	1	1	1	100%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	47	47	54	4	9%

Financial Performance Year 0: Water Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	112743	141609	146497	146986	4%
Expenditure:					
Employees	10711	12603	12249	11107	-13%
Repairs and Maintenance	1589	2310	1737	1470	-57%
Other	102724	90642	89993	1690	-5263%
<b>Total Operational Expenditure</b>	115024	105555	103979	115876	9%
<b>Net Operational Expenditure</b>	2281	-36054	-42518	-31110	-16%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.1.8					



Capital Expenditure Year 0: Water Services					
R' 000					
Capital Projects	2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	25500	25000	23843	-7%	
Project A	15000	15000	13689	-10%	
Project B	500	0	0	0%	
Project C	10000	10000	10154	0%	
Project D	0	0	0	0%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.1.9					

Quantek Projections for 2018 indicates that approximately 36577 properties have access to piped water, while 2716 properties have access to other sources of water supply. The statistics illustrate that all the properties within the Municipality's jurisdiction have access to potable water services ranging from piped, ground and tanker levels of services.

The Municipality in conjunction with the Gauteng Department of Human Settlement has engaged in the Upgrading of the bulk water supply infrastructure in support of the mega housing project in Impumelelo Extension 3 & 4 a 2.5MI Reservoir is under construction, backup power supply at the Devon Water Pump Station completed, installation of new additional water pumps completed and the construction of a 1.8MI Steel Tower is under way.

### 3.2 WASTE WATER (SANITATION) PROVISION

The projections also illustrates that approximately 36026 properties have access to water borne sanitation, 2854 have access to other forms of sanitation which includes ventilated improved pit latrines and chemical toilets. 413 properties in rural areas does not have access to sanitation, this properties are either illegal structures that have been recently erected or properties in private land.

All the four Informal settlements in the Municipality have access to sanitation in the form of ventilated improved pit latrines or chemical toilets. The mega housing projects will be paramount in reducing the number of informal settlements and also contribute positively towards the eradication of sanitation backlogs.

The Municipality with a new water use license for the Kwazenzele Waste Water Treatment Works in February 2019. The license will ensure that the effluent discharge standards are adhered to as stipulated in the conditions of the license. The Municipality in conjunction with the Department of Human Settlement is currently upgrading the Devon Waste Water Treatment Works, to accommodate drainage from the Impumelelo Extension 3 & 4. The bulk out-fall sewer from Extension 3 to the Devon Waste Water Treatment Works was upgraded in the current financial year.

Sanitation Service Delivery Levels				
Description	2015/2016	2016/2017	2017/2018	*Households ('000)
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
<b><u>Sanitation/sewerage:</u> (above minimum level)</b>				
Flush toilet (connected to sewerage)	36	36	36	36
Flush toilet (with septic tank)	1	1	1	1
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	0	0	0	0
Other toilet provisions (above min.service level)	0	0	0	0
<i>Minimum Service Level and Above sub-total</i>	37	37	37	37
<i>Percentage</i>	94.9%	94.9%	94.9%	94.9%
<b><u>Sanitation/sewerage:</u> (below minimum level)</b>				
Bucket toilet	0	0	0	0
Other toilet provisions (below min.service level)	0	0	0	0
No toilet provisions	0.437	0.437	0.437	0.437
<i>Below Minimum Service Level sub-total</i>	0.437	0.437	0.437	0.437
<i>Below Minimum Service Level Percentage</i>	1.1%	1.1%	1.1%	1.1%
<b>Total households</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>
<b>*Total number of households including informal settlements</b>				<b>T 3.2.3</b>

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
<i>Service Indicators</i>		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
<i>Provision of toilets within standard</i>	Additional Households (HHs) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Employees: Sanitation Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	47	1	48	0	0%
7 - 9	13	2	13	2	100%
10 - 12	9	0	9	0	0%
13 - 15	2	0	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	74	75	74	1	1%

Financial Performance Year 0: Sanitation Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	26619	30714	31821	31385	2%
Expenditure:					
Employees	6505	10760	8312	10107	-6%
Repairs and Maintenance	959	2960	2338	2169	-36%
Other	23437	2190	2300	1994	-10%
<b>Total Operational Expenditure</b>	30901	15910	12950	14270	-11%
<b>Net Operational Expenditure</b>	4282	-14804	-18871	-17115	14%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.2.8					

Capital Expenditure Year 2018/2019 : Sanitation Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	400	165	80	-400%	

Project A	200	0	0	0%	
Project B	200	165	0	0%	
Project C	0	0	0	0%	
Project D	0	0	80	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.2.9					

R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	26619	30714	31821	31385	2%
Expenditure:					
Employees	6505	10760	8312	10107	-6%
Repairs and Maintenance	959	2960	2338	2169	-36%
Other	23437	2190	2300	1994	-10%

<b>Total Operational Expenditure</b>	30901	15910	12950	14270	-11%
<b>Net Operational Expenditure</b>	4282	-14804	-18871	-17115	14%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.2.8</i>

Since sanitation backlogs are also housing related in nature the Municipality is working closely with the Provincial Department of Human Settlement to address housing challenges with will also address the sanitation related backlogs

### 3.3ELECTRICITY

Household's access to electricity is an important determinant of socio-economic welfare, with most non-electrified households typically living in poverty. Households with access to electricity are able to reallocate their time away from the collection of wood and other lighting materials, they are less likely to suffer health complications from smoke and chemical inhalation, access to media and other communication is greater resulting in a better-informed population, and students living in the home are better equipped to perform well in school.

The basic services policy adopted by 2001 addresses the right of all households, particularly those living in poor areas, to access a minimum amount of free basic electricity. This implies that distribution networks must be extended to ensure that all households are able to access the electricity grid. Currently LLM provides 50kWh per household who qualifies as an indigent.

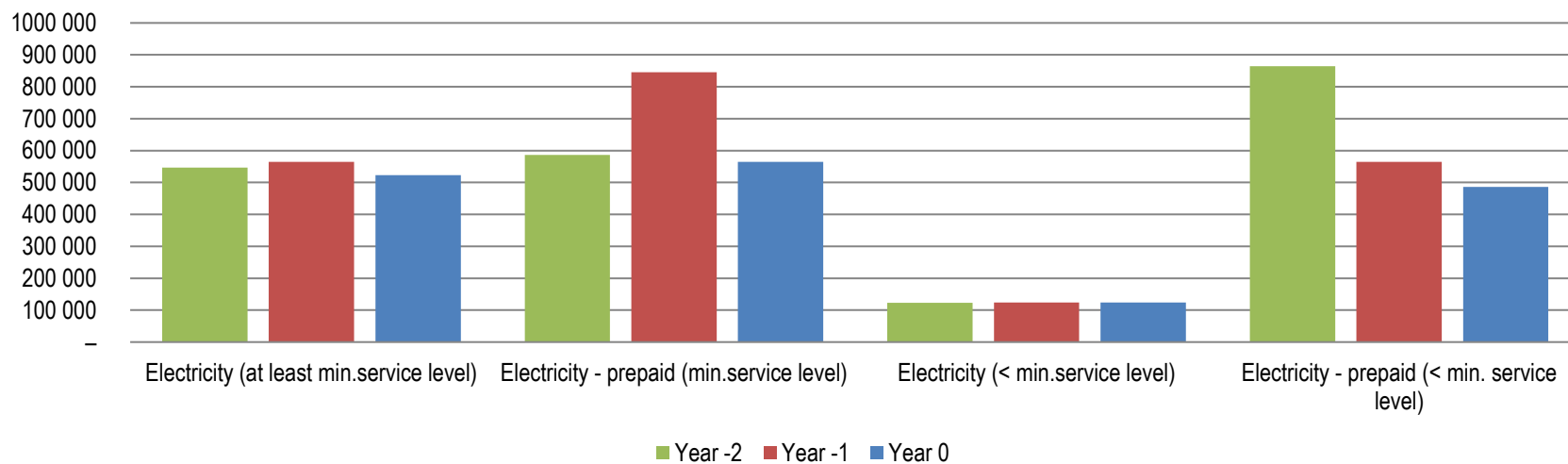
Access to electricity for the Lesedi Local Municipality as compared to Sedibeng DM and Gauteng Province indicate that in 2001 approximately 98% of households in Lesedi Local Municipality have access to electricity for lighting. This implies that electricity provision is not a major constrain for socio-economic development within the Municipality.

The Lesedi Local Municipality has made progress in terms of electricity access with approximately 200 more households connected to electricity in 2018/19, increasing access from 98. % to 98.4%. All formal household in Lesedi have access to electricity.

Electricity Service Delivery Levels					
Description	2014/2015	2015/16	2016/17	2017/18	2018/19
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Energy: (above minimum level)</u></b>					
Electricity (at least min.service level)	30 803	32 239	32 454	32 798	32 998
Electricity - prepaid (min.service level)	14 326	15 752	15 967	16 311	19 702
<i>Minimum Service Level and Above sub-total</i>	30 803	32 239	32 454	32 798	32 998
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%	100%
<b><u>Energy: (below minimum level)</u></b>					
Electricity (< min.service level)					
Electricity - prepaid (< min. service level)					
Other energy sources					
<i>Below Minimum Service Level sub-total</i>					
<i>Below Minimum Service Level Percentage</i>	0.0%	0.0%	0.0%	0.0%	
<b>Total number of households</b>	30 803	32 239	32 454	32 798	32 998
				T 3.3.3	



## Electricity



Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	32 239	32 454	200	200	32998	400
Households below minimum service level	0	0	0	0	0	0

Proportion of households below minimum service level	0	0	0	0	0	0
<b>Informal Settlements</b>						
Total households	32 239	32 454	200	200	32998	400
Households ts below minimum service level	0	0	0	0	0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%
T 3.3.4						

Employees: Electricity Services					
Job Level	2017/2018	2018/2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	14	25	25	11	44%
7 - 9	10	10	10	0	0%
10 - 12	9	9	9	0	0%
13 - 15	2	2	2	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	36	47	47	11	23%

Financial Performance Year 2018/19: Electricity Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	295999	327584	327175	307952	-6%
Expenditure:					
Employees	15892	15835	16890	14192	-12%
Repairs and Maintenance	12677	4670	1931	1663	-181%
Other	254844	7151	6782	6003	-19%
<b>Total Operational Expenditure</b>	283413	291391	292715	278248	-5%
<b>Net Operational Expenditure</b>	-12586	-36193	-34460	-29704	-22%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.3.7

Capital Expenditure Year 2018/19: Electricity Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	17884	22587	17588	-2%	
Project A	900	30	677	-33%	
Project B	1659	0	0	0%	
Project C	1301	0	0	0%	
Project D	2325	1490	1445	-61%	
Project E	1740	5000	5232	67%	
Project F	6000	6000	6000	0%	
Project G	499	498	0	0%	
Project H	700	105	0	0%	
Project I	1550	1550	0	0%	
Project J	1160	1160	0	0%	
Project K	0	1925	0	0%	
Project L		3800	3695	100%	
Project M	50	29	29	-72%	
Project O	0	1000	510	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

T 3.3.8

The overall performance in terms of electricity supply is satisfactory, there are no formal households without electricity. The major upgrades required relates to the Obed Nkosi Township with approximately 6000 units, Impumelelo with approximately 6500 units and Kwa zenzele which will also have 6424 units.

### 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

All households in the urban and some rural areas receives refuse removal service, while some households in rural areas have no access to the service. The rationale behind such disparities is that some rural areas are sparse and the collection in such areas might not be feasible, due to roads conditions and that some are in private land. Despite all the efforts that have been taken in ensuring that there is at least once a week refuse collection service in households, the challenges are still experienced with illegal dumping of different waste streams.

Refuse collection service was extended to new house-holds at Obed Nkosi Township and Impumelelo Extension 3.

Solid Waste Service Delivery Levels				
Description	2015/2016	2016/2017	2017/2018	Households 2018/2019
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week	35673	35673	35673	35923
<i>Minimum Service Level and Above sub-total</i>	35673	35673	35673	35923
<i>Minimum Service Level and Above percentage</i>	84.4%	84.4%	84.4%	91.2%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>				
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump	3500	3500	3500	3200
Using own refuse dump	120	120	120	120
Other rubbish disposal	0	0	0	0
No rubbish disposal	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	3620	3620	3620	3320

<i>Below Minimum Service Level percentage</i>	15.6%	15.6%	15.6%	8.8%
<b>Total number of households</b>	<b>39393</b>	<b>39393</b>	<b>39393</b>	<b>39393</b>
<i>T 3.4.2</i>				

Households - Solid Waste Service Delivery Levels below the minimum							Households
Description	Year -3	Year -2	Year -1	Year 0			
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.	
<b>Formal Settlements</b>							
Total households	39393	39393	39393			39393	
Households below minimum service level	120	120	120			120	
Proportion of households below minimum service level	0.3%	0.3%	0.3%				
<b>Informal Settlements</b>							
Total households	3500	3500	3500			3200	
Households below minimum service level							
Proportion of households below minimum service level	9%	9%	9%				8.8%
<i>T 3.4.3</i>							





13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	31	40	38	2	5%

Employees: Waste Disposal and Other Services					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	12	12	12	0	0%
7 - 9	4	4	4	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	16	16	16	0	0%

Financial Performance Year 2018/19: Solid Waste Management Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	28713	33425	33694	32659	-2%
Expenditure:					
Employees	9003	11485	10436	9466	-21%
Repairs and Maintenance	758	2150	1549	1720	-25%

Other	22393	16329	15614	27672	41%
<b>Total Operational Expenditure</b>	32154	29964	27599	38858	23%
<b>Net Operational Expenditure</b>	3441	-3461	-6095	6199	156%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.4.7</i>

Financial Performance Year 0: Waste Disposal and Other Services						R'000
Details	2015/2016	2016/2017				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
<b>Total Operational Expenditure</b>	195	732	750	744	2%	
<b>Net Operational Expenditure</b>	75	607	650	649	6%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						<i>T 3.4.8</i>

### 3.4 HOUSING

#### **Housing needs in Lesedi Local Municipality**

During this period, the Municipality experienced a wide range of service delivery stoppages. Key amongst the demands has been the issue of human settlements. Impumelelo experienced an eruption that led to Municipal Offices being burnt to ashes. This led to a strategic intervention between the property owner of portion of portion 23 of the farm Nooitgedacht 294, the Gauteng Department of Human Settlements and the Municipality where a township was established to be known as Impumelelo Extension 3 and later it was to incorporate Impumelelo Extension 4. This has led to a major boom in the building of houses, road infrastructure and upgrading of bulk water and sewer infrastructure, skills development and job creation. The construction resumed full steam on the 4<sup>th</sup> June 2018 and to date six hundred and ninety six (696) residential units (free standing and walk –ups) are complete and allocated to beneficiaries. The involvement of the community has been key in achieving these milestones in the form of the Project steering committee, monthly project progress meetings and a strong technical support team from the developer, the Municipality and the Gauteng Department of Human Settlements.

On the other hand Kwazenzele Extension 1 in Ward 12, another human settlement project is underway. Unlike Impumelelo, progress has not been to the satisfaction of all. Stoppages have been the order of the day. The developer has been placed on terms. The target is to build 345 residential units. To date essential services have been rolled out and the building of top structures is progressing fairly well.

Heidelberg, Obed “Mthombeni” Nkosi Extension 1 has roped in NEP Consulting by virtue of their ability to handle major project to roll out walk-ups, free standing units, serviced stands, financed linked individual subsidy/bonded houses. The Gauteng Department of Human Settlements has entered into a multi-year contract with the developer for the next five years. Service delivery protests recently have hampered progress and improvement is realizable.

This period has been characterized by an emergence of invasions in Ratanda Extension 8 (site earmarked to relocate informal settlements amounting 236 units) Obed “Mthombeni” Nkosi and Shalimar Ridge Community Residential Units. Amid a successful High Court Order to evict invaders, the properties remain occupied by illegal occupants. This has a major impact to the revenue of the Municipality.

Through the National Upgrading Support Program, an audit of informal settlements has been determined in the whole area of the Municipality and a relocation plan is pending. It is envisaged that the affected sites will be incorporated into the whole scheme of human settlements taking place throughout the Municipality.

Kaydale has been another thorn in the flesh of the Municipality. Property owners have been at pains trying to sensitise the Municipality around the provision of basic services. They took the Municipality to the High Court. However in the interim the Municipality has set up an intergovernmental relations forum to address the plight of the property owners. The matter remains high on the agenda of the Municipality to address the community issues. The bone of contention centres around the service level agreement with the owner of the property by virtue of being a private property.

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2014/15	23470	16148	68.8%
2015/16	25480	19492	76.5%
2016/17	29652	23395	78.9%
2017/18	35367	34000	96.1%
2018/19	39294	34679	88.3%
			T 3.5.2

Employees: Housing Services					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	2	3	2	0	0%

10 - 12	6	5	4	2	40%
13 - 15	1	1	1	0	0%
16 - 18	1	1	0	1	100%
19 - 20	0	0	0	0	0%
Total	11	11	8	3	27%

Financial Performance Year 2018/19: Housing Services					
					R'000
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	2630	1919	4660	4088	53%
Expenditure:					
Employees	5665	5968	5945	5180	-15%
Repairs and Maintenance	0	15	0	0	0%
Other	459	1487	862	665	-124%
<b>Total Operational Expenditure</b>	6124	12479	13103	9711	-29%
<b>Net Operational Expenditure</b>	3494	10560	8443	5623	-88%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.5.5

### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

The purpose of the policy is to ensure that the subsidy scheme for indigent house-holds forms part of the financial system of the municipality and to ensure the same procedure be followed for each individual case in a fair and equitable manner.

The criteria used for households to qualify for indigent support is as follows:

Subsidy, within the financial ability of the municipality, be allocated to owners, be allocated to owners of premises who receive electricity, water and sewerage or refuse removal services from the municipality in respect of charges payable to the municipality for such services.

The household income must not be more than R3 500. Income of all households was considered, excluding child support and disability grants.

Only one application per person in respect of one property shall qualify for consideration per household. A business, body corporate, association, club or governing body shall not qualify for consideration

The subsidy will not apply in respect of households owning more than one property, who will therefore not be classified as indigent.

That the combined gross income of a household for qualification as an indigent be determined as equal or less than R3 500 per month excluding: Child support, foster care and disability grants

All basic charges will be levied and be offset against equitable share.

Residents wishing to apply as indigent should do so at Lesedi Finance Department for verification and capturing That a subsidy be credited on the account for one year – that approved indigents be subsidized according to:

**Indigent relief: Water**

Consumer may receive their first 6 kl, or as determined by Council from time to time of consumption on a zero-based tariff.

**Indigent relief: Electricity**

Consumer will receive a free supply of 50 kWh per month in case where a low voltage meter has been installed

The Municipal Manager will grant authority that a prepayment meter may be installed in those properties where the registered owners qualify and are registered for indigent relief so that the debtor cannot consume electricity beyond such debtor's means.

All prepayment meters are installed at the rate as indicated in the Tariff Policy.

**Indigent relief: Refuse**

All registered debtors will be levied with a refuse removal service and be offset against equitable share.

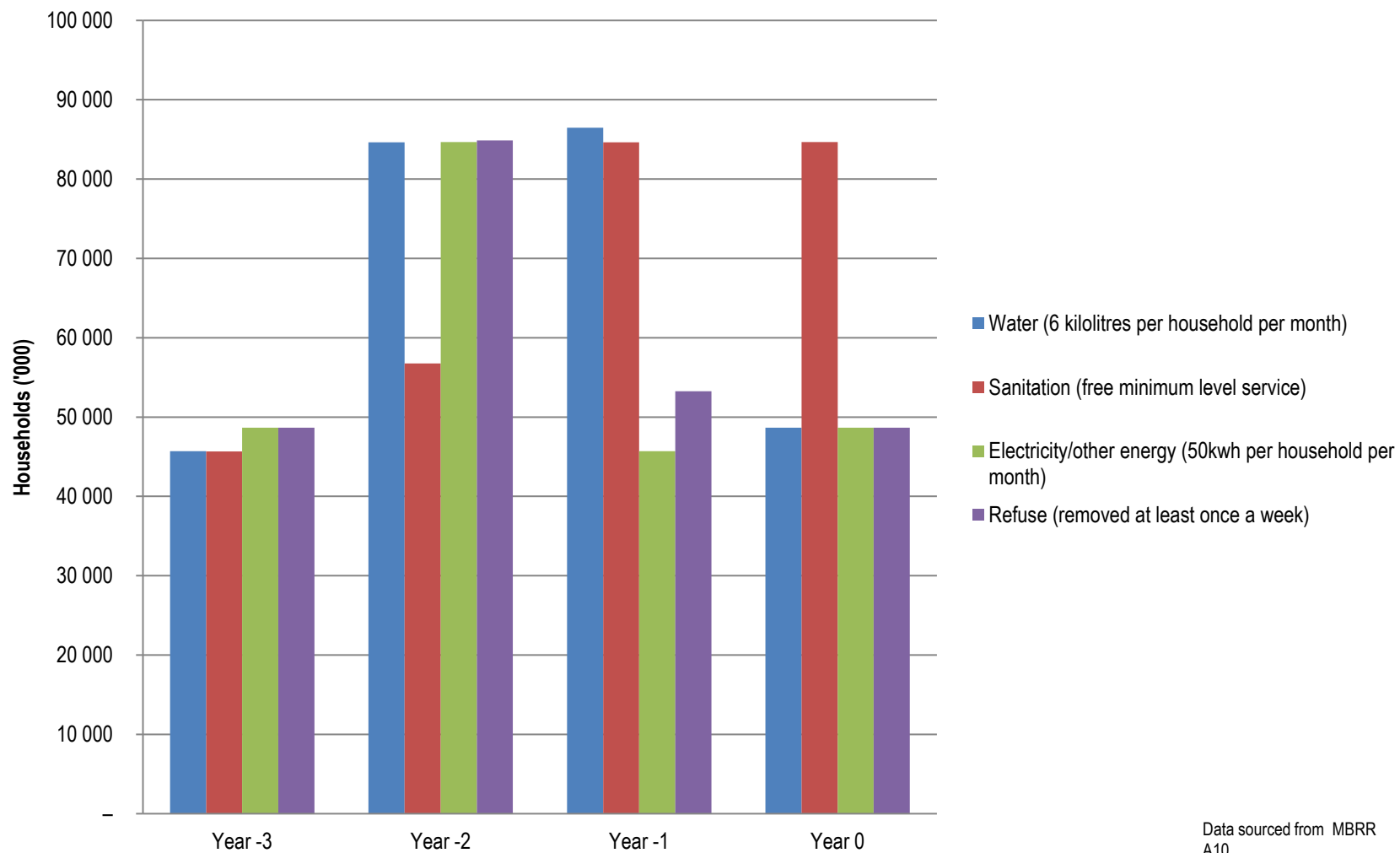
**Indigent relief: Sewerage**

A basic charge will be levied and be offset against equitable share.

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
2016/17	100 000	18 000	12 000	67%	10 000	56%	13 000	72%	7 000	39%
2017/18	103 000	18 500	13 000	70%	11 000	59%	14 500	78%	8 000	43%
2018/19	105 000	19 000	15 000	79%	12 000	63%	16 100	85%	9 000	47%
T 3.6.3										



## Free Basic Household Services



Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	200	244	250	248	2%
Waste Water (Sanitation)	220	240	250	245	2%
Electricity	100	120	130	135	11%
Waste Management (Solid Waste)	105	110	120	125	12%
Total	625	714	750	753	5%
					T 3.6.4

## COMPONENT B: ROAD TRANSPORT

Transport is the function of the Sedibeng District Municipality, the LLM is part of the broader Sedibeng Road Transport Plan

### 3.7 ROADS

#### **Road Infrastructure**

Lesedi local municipality has approximately 290 kilometers of paved roads and 342 km of gravel roads. The main focus of the section is to reduce the backlog of the provision of appropriate paved roads.

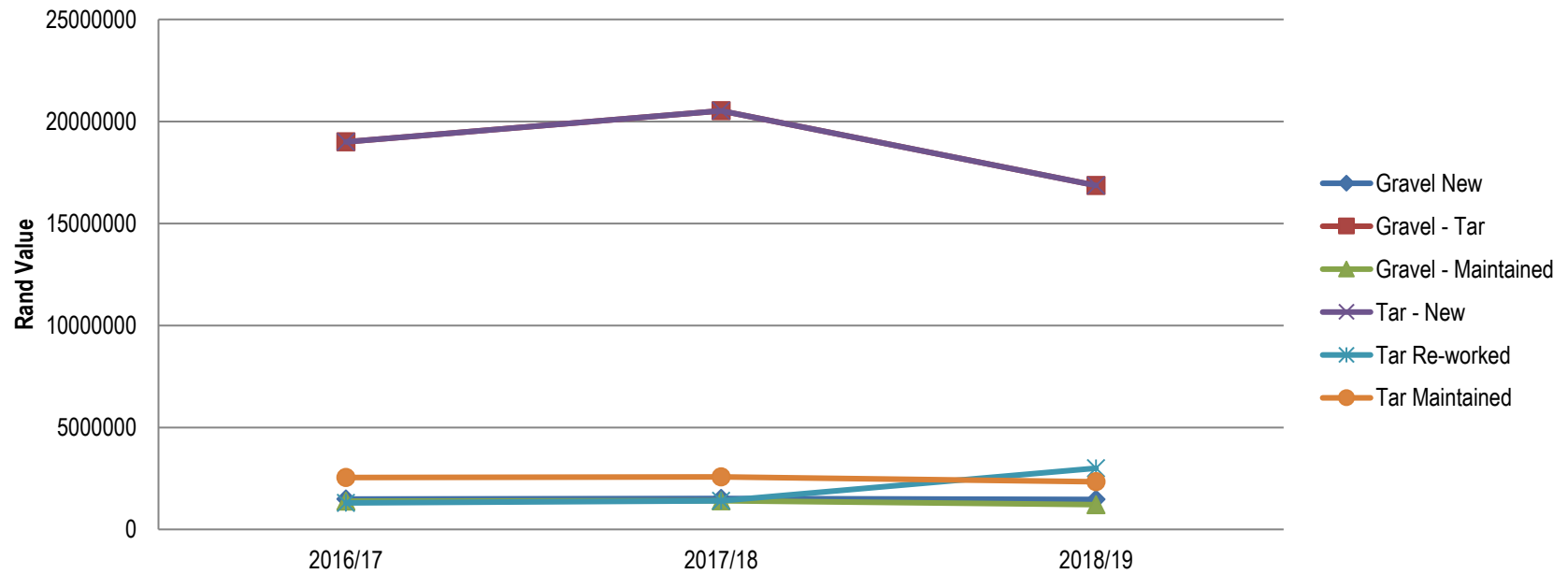
The primary objective of roads focus on the following:

- To upgrade gravel residential roads to paved roads, focusing on previously disadvantaged townships to improve the mobility and quality of life of the affected areas
- The maintenance of gravel roads in formal and informal areas to enhance access to those areas
- The execution of patching, rehabilitation, erecting speed humps and resurfacing of paved roads to prevent the deterioration of the existing infrastructure as well as the safety of the public
- To improve the construction of major roads to reduce congestion and facilitate economic development.

Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Kilometers Tar roads maintained
2016/17	270	3	0	0	267
2017/18	272	2	0	0	270
2018/19	272	0	2	12	272
					T 3.7.3

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2015/16	490000	1900000	280000	2300000	1300000	550000
2017/18	514500	2052000	305200	2415000	1404000	574000
2018/19	1467000	16860000	1215000	16860000	3000000	2336000
						T 3.7.4

## Road Infrastructure costs



Road Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2017/18		2018/19		
		Target	Actual	Target		Actual
Service Indicators		*Previous Year		*Previous Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
<b>Service Objective xxx</b>						
<b>Elimination of gravel roads in townships</b>	Kilometers of gravel roads tarred (Kilometers of gravel road remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)
<b>Development of municipal roads as required</b>	xxx kms of municipal roads developed	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms
		3.9 km	2.4 Km	4.2 km	0 KM (the roads will be completed in 2019/2020 Financial year due to shortage of funds)	0 Km

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

Employees: Road Services					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	45	46	46	0	0%
7 - 9	2	2	1	1	50%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	1	0	1	100%
19 - 20	0	0	0	0	0%
Total	48	48	49	2	4%

Financial Performance Year 2018/19: Road Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	36873	20632	20632	22998	10%
Expenditure:					
Employees	8185	10760	8312	10107	-6%
Repairs and Maintenance	2489	2190	2300	1200	-83%
Other	7551	7151	6782	6003	-19%
<b>Total Operational Expenditure</b>	18225	20101	17394	17310	-16%
<b>Net Operational Expenditure</b>	-18648	-531	-3238	-5688	91%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.7.8



Capital Expenditure Year 2018/19: Road Services					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	27670	25608	14993	-85%	
Project A	200	164	164	0%	
Project B	0	0	329	0%	
Project C	3000	5000	5013	40%	
Project D	4000	4597	1169	-242%	
Project E	20470	15847	8318		
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

T 3.7.9

The road network in Lesedi stretches for 665 Kilometres (km). Surfaced or paved road has been provided to almost all new settlements in Lesedi. New roads were constructed at Obed Nkosi Township and Impumelelo Extension 1.

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

#### INTRODUCTION TO STORMWATER DRAINAGE

##### **Storm-water Infrastructure**

Storm-water runoff is considered a common enemy and each property owner may fight it off or control it by retention, diversion, repulsion or altered flow

. The focus of the common enemy rule has two focal points:

- The need to make improvements to property, with the acknowledgement that some damage results from even minor improvements; and
- The principle of granting each landowner as much freedom as possible to deal with his land essentially as he sees fit.

The primary objective Storm-water focuses on the following:

- The upgrading and installation of new storm-water systems related to the upgrading of paved roads, focusing on previously disadvantaged townships;
- The construction of new major Storm water systems to address flooding & erosion challenges;
- The maintenance of storm-water systems;
- The development of policies and procedures to address the growth in storm-water runoff resulting from developments;
- The responsibility to preserve the natural environment;
- The need to strive for a sustainable environment while pursuing economic development;

- The desire to provide the optimum methods of controlling runoff in such a way that the main beneficiaries pay in accordance with their potential benefits; and

The need to protect the health, welfare and safety of the public, and to protect property from flood hazards by safely routing and discharging storm-water from developments.

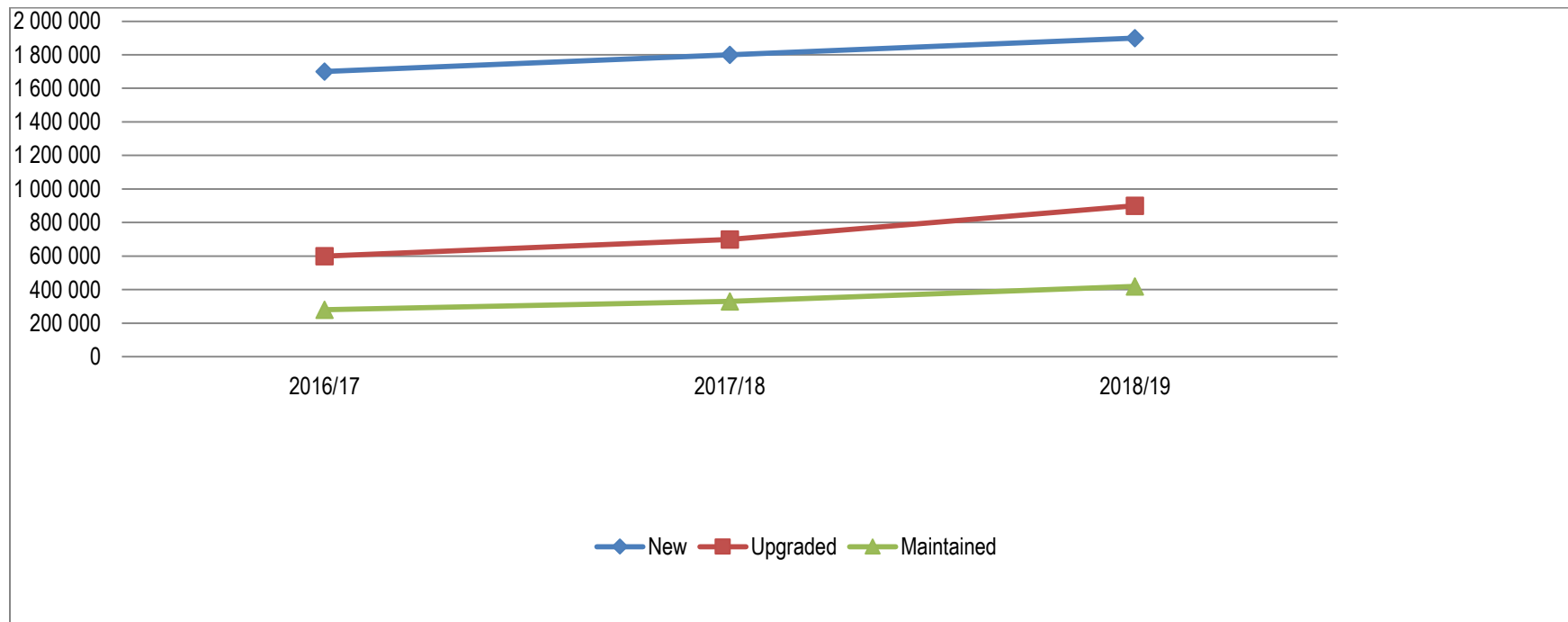
NB: Our roads are also designed to act as stormwater runoff, therefore the roads are part of the stormwater system including stormwater pipes and channels.

For all the road that were constructed in the financial year under review as reported above, includes under ground stormwater system/ pipes which helps in addressing most of the challenges listed above.

Stormwater Infrastructure				
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -2	145	15	10	100
Year -1	160	20	12	120
Year 0	166	25	14	140
				T 3.9.2

Cost of Construction/Maintenance			
	Stormwater Measures		
	New	Upgraded	Maintained
2016/2017	1 700 000	600 000	280 000
2017/2018	1 800 000	700 000	330 000
2018/2019	1 900 000	900 000	420 000
			T 3.9.3

## Stormwater Infrastructure Cost



Financial Performance Year 2018/19: Stormwater Services					
					R'000
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	36873	20632	20632	22998	10%
Expenditure:					
Employees	8185	15835	16890	14192	-12%
Repairs and Maintenance	2489	4670	1931	1663	-181%
Other	7551	7151	6782	6003	-19%
<b>Total Operational Expenditure</b>	18225	27656	25603	21858	-27%
<b>Net Operational Expenditure</b>	-18648	7024	4971	-1140	716%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.9.7

Capital Expenditure Year 2018/19: Stormwater Services					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	27670	25608	14993	-85%	
Project A	200	164	164	0%	
Project B	0	0	329	0%	
Project C	3000	5000	5013	40%	
Project D	4000	4597	1169	-242%	
Project E	20470	15847	8318		
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.9.8					

## COMPONENT C: PLANNING AND DEVELOPMENT

Lesedi is strategically located on the edge of Gauteng within two national development corridors, namely the Johannesburg / eThekweni corridor (N3) and the Gauteng / Swaziland corridor (N17). Future development initiatives within the municipality should seek to maximize development opportunities emanating from these corridors and to tap the latent development energy along the major transportation routes through the area.

The local economy is currently too reliant on a few key concerns (e.g. BAT), Eskort Bacon Factory, Karan Beef Feedlot, Manjoh Ranch Feedlot, Transnet National Multi-Product Pipeline; Steel Industry. However, there are opportunities for local economic growth in the agricultural, transport / logistics and tourism sectors.

Unemployment is high – in the region of 43% (quantek-source) - while the average level of education is low and the skills shortage may hamper sustainable local economic growth. A broader technical and entrepreneurial skills base is needed in the area. An establishment of a skills centre is on advanced planning stage, as it awaits council to approve the identified land, and there is a commitment of funding from the Services SETA in this regard.

The fragmented urban settlement pattern combined with the low rural population densities and the large land area covered by the municipality, impacts negatively on service delivery. In this scenario the best approach towards cost-effective service delivery is to encourage settlement in and around the larger urban areas where basic services infrastructure is already in place and to concentrate rural service delivery within a few strategically-located rural service nodes.

Both Heidelberg/Ratanda and Devon/Impumelelo still display apartheid-based settlement patterns with segregation along racial and socio-economic lines. As far as future development is concerned the challenge will be to ensure a greater degree of integration while simultaneously addressing infrastructure and service backlogs in the township areas.

In line with international and national trends, Lesedi has been experiencing a gradual migration of people from the farms and rural areas towards the urban centres, especially towards Heidelberg / Ratanda, which is perceived by the surrounding rural population as the place with the greatest economic opportunities. This trend can be expected to continue in the foreseeable future

The challenge here is twofold – on the one hand to cater for the influx into the urban centres and on the other hand to facilitate the creation of more economic opportunities in the rural hinterland.

Through its LED strategy, the Municipality appointed numerous developers to form partnership to effect the implementation of the said strategy across the Municipality. This translates into property, retail and environment management development. Currently a warehouse port is under planning and an EIA application is being submitted while plans for the commercial development in Kwazenzele Extension 1 is at the planning stage pending the finalisation of the Township establishment process

### 3.10 PLANNING

#### Spatial Development Framework (SDF)

As part of Spatial Planning and Land Use Management Act (2013), the Municipality has approved the development of the Municipal Planning Tribunal. Pending is the appointment of the chairperson of the Municipal Planning Tribunal and review of the Town Planning Scheme.

The delay in finalising the appointment of the chairperson of the Municipal Planning Tribunal poses a predicament in as far as compliance and reduction of backlogs in development applications objections are concerned.

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	2	3	18	11	390	435
Determination made in year of receipt	2	2	16	6	360	348
Determination made in following year	0	1	2	5	30	350
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	1	0	5	0	94
T 3.10.2						



Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	3	3	3	0	0%
7 - 9	2	2	2	0	0%
10 - 12	8	8	7	1	13%
13 - 15	2	3	2	1	33%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	16	17	15	2	12%

Financial Performance Year 2018/19: Planning Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	1919	4660	4088	0%
Expenditure:					
Employees	0	5968	5945	5180	0%
Repairs and Maintenance	0	15	0	0	0%
Other	0	1487	862	655	0%
<b>Total Operational Expenditure</b>	0	7470	6807	5835	0%
<b>Net Operational Expenditure</b>	0	5551	2147	1747	-218%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.10.5					

Capital Expenditure Year 2018/19: Planning Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	20	5	5	0%	
Project A	20	5	5	-300%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.10.6					

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

In considering Lesedi within the Provincial context, it is important to note a few of the advantages Lesedi holds over other municipal areas and it is important that these are exploited to the maximum in relation to economic development in the area:

- Its proximity to biggest commercial hub in Africa.
- Began as a transport hub for the Country and carries the potential of developing a dry dock facility.
- Undiscovered natural beauty.
- Second lowest crime rate in Gauteng (Second to Sebokeng, which has a police academy).
- Has major national road routes passing through it.
- Strong agricultural and agro-processing potential.
- As yet has not defined its core identity and has the freedom to invent itself in the most appropriate manner.

Local Economic Development aims at unpacking the opportunities and priority initiatives which will most favourably capitalise upon the resources and objectives of the Municipality and in a manner which aligns the energies and programmes of the various National and Provincial Government Departments as well as support agencies, civil society and the communities themselves. These priority initiatives have through broad based consultation and research been identified as

- Agriculture & Agro-processing
- Manufacturing
- Freight Transport
- Tourism
- Residential

Economic Activity by Sector			
			R '000
Sector	Year -2	Year -1	Year 0
Agric, forestry and fishing	45	50	52
Mining and quarrying	12	132	133
Manufacturing	95	951	945
Wholesale and retail trade	36	375	381
Finance, property, etc.	865	867	873
Govt, community and social services	721	756	765
Infrastructure services	192	198	201
Total	1966	3329	3350
			T 3.11.2

Economic Employment by Sector			
			Jobs
Sector	Year 1 No.	Year -1 No.	Year 0 No.
Agric, forestry and fishing	825	824	798
Mining and quarrying	358	347	342
Manufacturing	2,311	2,344	2,144
Wholesale and retail trade	5,004	6,071	5,902
Finance, property, etc.	4,887	4,899	4,802
Govt, community and social services	6,667	6,802	6,824
Infrastructure services	1,924	1,974	1,944
Total	21976	23,261	22756
			T 3.11.3

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year -2	799	0	799	Heidelberg Mall
Year -1	112	0	112	Themba Projects
Year 0	101	0	101	Vopak-Reatile Bulk terminal

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2016/17	8	80
2017/18	8	130
2018/19	8	150
* - Extended Public Works Programme		



Employees: Local Economic Development Services					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	2	0	2	0	0%
7 - 9	0	1	0	1	100%
10 - 12	1	2	1	1	50%
13 - 15	2	2	2	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	6	6	6	2	33%



Financial Performance Year 2018/19: Local Economic Development Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	163	1374	1374	1112	-24%
Expenditure:					
Employees	4513	5181	4786	4851	-7%
Repairs and Maintenance	0	0	0	0	0%
Other	11670	808	692	794	-2%
<b>Total Operational Expenditure</b>	16183	5989	5478	5645	-6%
<b>Net Operational Expenditure</b>	16020	4615	4104	4533	-2%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.11.9					

Capital Expenditure Year 2018/19: Economic Development Services					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2640	2710	1773	-49%	
Project A	2460	2710	1773	-39%	
Project B	180	0	0	0%	
Project C	0	0	0	0%	
Project D	0	0	0	0%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.11.10					

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

The Department of Community Services renders various functions such as Sports, Recreation, Arts, Culture and Heritage; Social Development; Environmental Health; HIV & Aids; Library & Informations Services; Parks & Cemeteries; Traffic; Disaster Management; Fire & Rescue Services to the community of Lesedi. Households registered as indigent can access indigent burial support

### 3.12 LIBRARIES; MUSEUMS; COMMUNITY FACILITIES

In respect of Section 156 (1) the Municipality has the executive authority to administer the local government matter listed in part B of Schedule 4 and part B of schedule 5 and any other matter assigned to it by National or Provincial Legislation.

#### **OBJECTIVES**

##### **OBJECTIVES (Library Services)**

- Support and stimulate the social, economic, educational, cultural, recreational, scientific research, technological and information development.
- Provide optimal access to relevant information to every person in an economic and cost effective manner.
- Promote basic and fundamental literacy and a culture of reading.
- Make available the National Documentary Heritage and facilitate access to the world's information resources to all.
- Provide for the preservation of the National Documentary Heritage.

#### **PROJECTS and BUDGET**

##### **STAFF:**

New Positions approved and filled 2018/19:

- 2 x Librarians                      1 x resigned
- 2 x Assistant Librarians      1 x resigned

- 3 x Library Assistant      1 x resigned

**Appointed library personnel:**

- Permanent (LLM):      9
- Permanent (DAC):      8
- Contract (DAC):      12
- Contract (ES):      2

Positions filled permanently: 17

Positions filled on contract: 14

**Information Material:**

New books were purchased and shelved as follows:

**6061 Books Purchased**  
**6471 Books Catalogued**

- All Lesedi Libraries

**Resources**

- Reference Material
- Study Material
- Adult Non-Fiction
- Adult Fiction
- Junior Non-Fiction
- Junior Fiction
- Toddler Fiction
- Heritage Collection

- Indigenous Languages
- Reading Program

- Kwa Zenzele Modular Library  
**All categories**

**Periodicals: 440 Magazines**

**Topics/categories procured:**

- Leisure
- Educational
- Financial
- Sport
- Health
- Political
- Interior
- Environmental
- Parenting
- Toddler
- Teenager

**Asset Verification:**

- 2018/2019 155 000 items have been verified.

**Security:**

- Alarms systems installed at all Libraries with panic buttons and armed response.

**ICT Security:**

- CCTV Cameras were installed at all Lesedi Libraries.
- RFID Tags and Labels have been purchased for book security.

**Upgrading of Libraries:**

- Fencing of Heidelberg and Rensburg Libraries completed.
- Upgrading of Devon Library
- Furniture for Heidelberg Library purchased.
- Rewiring of Heidelberg Library: Tender advertised twice. Must serve at Bid Adjudication Committee

**TRANSPORT:**

- 7 Seater Volkswagen Caddy were purchased for libraries.

**ICT Equipment (Hardware):**

- ICT and office equipment purchased.( 2 x Computers) (Catalogue Room)
- 2 x Copy Machines for Vischkuil and Rensburg

**ICT Licenses and Maintenance:**

SIRSI System

- Symphony Licenses (18)

**Training/Capacity Building Of Personnel:**

- 4 X Librarians were trained (Accredited cataloguing course)
- Symphony Off-line Course (11 Libs)

- Training for Library Personnel on 3M Stations
- System Administration Training for ICT Specialist

#### **Holiday Program Material:**

- Material for Library Programs (see Programmes)

#### **Library Programs 2018/2019**

1. Events: (Celebration of National and International Days)

##### **1.1 Mandela Day Celebrations**

The Yarn Along Program was established in 2012 at Vischkuil library. This program (Yarn Along program) was later extended to Jameson Park, Ratanda Proper, Rensburg, ext. 23 and ext. 7 libraries resulting in six libraries that took part in the program. All Libraries issued blankets, scarves, gloves and socks to the old age homes, children's home and orphanage as well as the needy one's in different community of Lesedi local municipality. The aim is to honor the life and the struggle of Nelson Mandela and inspire change. Children's home and the Tholulwazi day care were donated scarves, gloves and hat as well as toys in Jameson park community as part of Mandela month celebration.

##### **1.2 Valentine's Day Celebration**

Valentine's Day Celebrations were celebrated in all Libraries whereby all library staff wearing red and white as a way of showing love. Library users were informed in a form of library displays where the historie of valentine were displayed.

#### **2. Community Outreach Programs**

##### **2.1 Matric prayer**

The Lesedi Local Municipality Libraries collaborated with Khanya Lesedi secondary school and Ratanda secondary school in the hosting of a Matric prayer. We invited local pastors and the Mayor as our guest speakers to motivate the grade 12 learners toward their final matric exam.

##### **2.2 Career expo**

Lesedi Libraries collaborated with Inqaba yokulinda CISCO Networking Academy in the hosting a career expo and different stake holders were invited. The aim was to assist students choosing careers.

### **2.3 Open day**

Lesedi Libraries collaborated with Ratanda clinic and the SAPS in the hosting of an open day at Ratanda clinic. All Ratanda primary schools were invited. Total attendances of approximately 45 participants. Children were educated about crime, child abuse and HIV & AIDS.

### **2.4 Drug abuse and health awareness (puppets show)**

Lesedi Libraries collaborated with SANCA in the hosting of drug abuse and healthy life style program. Extension 7 library staff, Programme Librarian and SANCA, visited Ratanda primary school. Children were educated on drug abuse and healthy life style.

### **2.5 Be a “funda” leader (training)**

In collaboration with Nali-bali, an outreach program was held at Heidelberg and Vischkuil library activity rooms during March 2019. The aim of the program was to show attendees on how to open a reading book club.

## **3. Holiday Programs: (School Holidays)**

The aim of Holiday Programs is to keep children occupied during school holidays. The objective of the programs was to explore their individual craftsmanship and self-expressing, through a writer’s workshop.

### **Usage of Lesedi Libraries:**

	<b><u>2018/2019</u></b>
<b>EXTERNAL USERS</b>	
Annual new membership;	1061
Book circulation;	32464
<b>INTERNAL USERS:</b>	
Reference Users;	13895



Students and Learners;	29351
ICT users;	7314
<b>PROGRAMS</b>	
Implemented	251
Attendance	3653

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2016/17	2017/18	2018/19		
		Target	Actual	Target		Actual
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
<b>Service objective: Providing of Sports, Recreation, Arts, Culture and Library Services</b>						
Access to library and information services	Books, Audio visual material, Newspapers, Periodicals	37000	43485	40000	30000	32464
	Number of New members	1200	1037	1037	1200	1061
	Number of Internet Users	4600	3779	4600	4600	7314
	Implementation of library programs	170	272	170	170	281
	Upgrading Devon Library				100%	100%
	Re-wiring Rensburg Library				0%	0%
Provision of amenity services	Halls availability %	100%	100%	100%	100%	100%
	Sport Facilities availability %	100%	100%	100%	100%	100%
					15	15
Creation of Jobs through EPWP	Parks & Cemeteries					

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	95	95	95	0	0%
7 - 9	25	25	25	0	0%
10 - 12	16	17	16	1	6%
13 - 15	2	2	2	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	139	140	139	1	1%

Financial Performance Year 2018/19: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	10851	13010	13439	20946	38%
Expenditure:					
Employees	8479	8753	10634	9157	4%
Repairs and Maintenance	154	235	235	57	-312%
Other	3279	1658	1777	3098	46%
<b>Total Operational Expenditure</b>	11912	10646	12646	12312	14%
<b>Net Operational Expenditure</b>	1061	-2364	-793	-8634	73%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.12.5					

Financial Performance Year 2018/19: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	Year 2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	14232	5612	3219	-342%	
Project A	500	325	325	-54%	
Project B	50	50	234	79%	
Project C	620	540	323	-92%	
Project D	500	881	0	0%	
Project E	700	1436	964	27%	
Project F	1862	1300	353	-427%	
Project G	10000	1080	1020	-880%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					
T 3.12.6					

### 3.13 CEMETERIES

A cemetery is defined as a place for the burial of dead human bodies, other human remains, or a place in which either dead human bodies or other human remains have been buried. Once a burial had occurred, the owner of the land on which the burial has taken place, takes on, a minimum of three obligations for:

1. Good order (record keeping) and repair;
2. Ensuring adequate drainage system; and
3. Fencing.

If these obligations are not met, the owner of the land can be prosecuted and fined. These obligations are perpetual in nature, so anyone considering burying any human body or other human remains, should consider very carefully the implication of the actions, as by so doing, the owner may very well have established a cemetery and by so doing, have accepted a never-ending liability a never-ending liability or obligation

Lesedi Local Municipality maintains ten different cemeteries of which five are still operational. This includes two sub-regional cemeteries namely: Ekuthuleni in Ratanda and Ekuphumuleni, Devon and Vischkuil. The municipality is providing grave facilities in accordance to different religion e.g. Muslim, Hindu, protestant, Jewish etc.

The graves are prepared in advance and in accordance to dimensions laid in the cemetery establishment guide. Tombstones are erected subject to approval by municipality in terms of cemetery by-laws. Active cemeteries are being regularly maintained by parks

section and passive one are maintained on certain intervals. Cremations are conducted out of the area but in the neighbouring towns.

Cemetery register is updated weekly and the data is recorded/captured both manually and electronically. Information in terms of the internment is made available without any costs on request to family members. Graves are provided to the indigents families but policy procedures has to be followed.

<b>Records Management</b>	Installation of bulk filling system was completely installed for archives management.
<b>Alien Plant Clearing</b>	The project commenced at Ekuthuleni Cemetery, Sanparks Environmental Social Responsibility Programme is currently assisting with clearing and poison application.
<b>Total number of burials that took place per cemetery</b>	Ekuthuleni Cemetery – 504 Kamp / Drieboom Cemetery – 64 Muslim Cemetery – 4 Hindu Cemetery – 0 Devon Cemetery – 100
<b>Procurement</b>	Purchase of New Kubota Tractor to clean open spaces and sidewalks for active and inactive cemeteries.
<b>Internal Road construction in Ekuthuleni Cemetery</b>	The project was put on hold due to costs from tender responses exceeding the approved budget.
<b>EPWP Labourers</b>	Labourers from EPWP were sourced to assist with the maintenance of both active and passive cemeteries and were trained in various horticultural disciplines: e.g. grass cutting by using bush cutters, tree felling, pruning, garden edging etc.

Cemeteries and Crematoriums Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2017/18		2018/19		
		Estimate	Actual	Estimate		Actual
<del>Service Indicators</del> (i)		*Previous Year (iii)	 (iv)	*Previous Year (v)	*Current Year (vi)	 (vii)
Provision of Graves						
	Burials	783	800	783	631	631
	Permits issued: Tomb Stones	277	270	270	101	101
Upgrade Cemeteries	Internal Roads, Ekuthuleni %	40%	40%	40%	40%	40%

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	22	27	24	3	11%
7 - 9	8	8	8	0	0%
10 - 12	1	2	1	1	50%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	31	37	33	4	11%



Financial Performance Year 2018/19: Cemeteries and Crematoriums						R'000
Details	2017/18	2018/19				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	2501	1593	1593	1558	-2%	
Expenditure:						
Employees	6588	4739	5341	6630	29%	
Repairs and Maintenance	20	721	556	467	-54%	
Other	5714	742	845	607	-22%	
<b>Total Operational Expenditure</b>	12322	6202	6742	7704	19%	
<b>Net Operational Expenditure</b>	9821	4609	5149	6146	25%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.13.5

Capital Expenditure Year 2018/19: Cemeteries and Crematoriums						R' 000
Capital Projects	2018/19					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	270	252	232	0%		
Project A	270	252	232	0%		
Project B	0	0	0	0%		
Project C	0	0	0	0%		
Project D	0	0	0	0%		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T 3.13.6

### 3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

#### **Social Development Services:**

Social Services rendered are divided into Case Work, Group work and Community Development Work. It must be noted that Social Development Services rendered at Local Authority level is Non Statutory.

Social services are provided to the broader community residing in Lesedi, especially to the vulnerable groups, i.e children, older persons, PWD's, women and men. These services include aspects such as abuse, neglect, accommodation, capacitation, safety and referral to other registered organizations in cases where the Council do not have the capacity to assist.

#### **1. Family Support which include services such as:**

- Pre and Marital Problems
- Family
- Divorce
- Legal Aid
- Material Assistance/Unemployment
- Indigent Burials
- Pauper Burials
- ID Applications
- Gender Based Violence

#### **2. Children**

- Child Welfare
- Facilitate Maintenance and Child Support Grants
- Orphan Programme
- Early Childhood Development and Child Protection

<ul style="list-style-type: none"> <li>•</li> </ul> <p><b>3. Care of the aged</b>  Facilitate application for Social Grants  Application to old age home for those in need and the frail  Luncheon Clubs: Ensure balanced meals, physical exercise, recreation and outings  Educational and awareness programs on abuse and acceptable treatment of older persons</p> <p><b>4. Care for the People living with disabilities.</b></p> <ul style="list-style-type: none"> <li>• Facilitate applications for Disability Grants</li> <li>• Awareness programs</li> <li>• Protective workshop: Ensure balanced meals; recreation, handwork and craft</li> </ul> <p><b>5. Local Drug Action Plan.</b>  LDAC's were handed over to Municipalities by Gauteng Social Development, (Province) at a Section 80 Health &amp; Social Development meeting held on 16 February 2018, at Sedibeng. Lesedi is in process of establishing Local Drug Action Committees to attend to drug abuse within the area.</p>
<p>Inspections at Child care facilities are mainly conducted by the Environmental Health Section and Health Reports/Certificates issued to premises complying with legislative requirements.</p> <p><b>Early Childhood Development (ECD) Service:</b></p> <p>The LLM has adopted the motto of “Lesedi shining the light for the future of our children”, and the following are the strategic goals developed.</p> <ul style="list-style-type: none"> <li>• Improve access to quality early childhood development.</li> <li>• Ensure compliance in all centres with the health and safety requirements.</li> <li>• Institutionalize Early Childhood Development Programmes.</li> <li>• Develop sustainable partnerships and stakeholder relations for resource mobilization.</li> </ul>

## Upscaling of ECD services in the Province

### **Actions Implemented to Increase Access to ECDs.**

Education on the importance of ECD during events and campaigns.

The purpose is to sensitize the community around the importance of registering children aged 0-5 in ECD sites and with Day Mothers, where they will be stimulated to get ready to start Grade R.

A survey was conducted in the surrounding farms and in areas where most of the children do not access ECD services. Most children were found in Rensburg (24) (Komao) and Groenfontein (33), Impumelelo (72) ,Round 14 and Tokolohong (50) children were found to be staying home and not accessing any Child Development programme. Very few were found in Rietkuil and Masizakhe, Balfour road. The intention for the survey was to engage with the mobile ECD so they can schedule to go to the identified areas and children get to be stimulated in preparation for school. This information was forwarded to the Department of Social Development and Jabulani mobile staff for consideration when they formalise their schedule.

### **DAY MOTHER PROGRAMME**

**From the keen interest shown during the ECD Open and information days, the following served as outcomes:**

Seven (7) prospective mothers were identified in Jameson Park where there is one registered and one unregistered ECD's and there is a need for more sites to care and stimulate children who are not accessing. A further six (6) day mothers have been identified in Ratanda and out of all the above, seven have children that they look after and they will receive training from Smartstart in the new financial year 2019/2020.

Twenty one (21) day mothers have signed contracts with the municipality to render ECD services to children who were not previously accessing and they are receiving stipends from the municipality budget. The number of Day Mothers funded by Council increased from 11 in the previous financial year to 21 during the 2018/19 financial year.

### **Handover of Day Mothers to Gauteng Department of Social Development (GDSD)**

A memorandum of understanding was signed between Gauteng DSD and Hollard Trust to facilitate the process of registration in order for day mothers to ultimately receive funding from the department.

The scope of the MOU is to:

- To enhance the universal access and functioning of ECD services as it applies to both the center and non center based services.
- Streamline business processes as relates to compliance, registration and funding.
- Support infrastructure provision and / or maintenance center based ECD services,
- Optimise management and deployment of ECD public funding.

The process is still underway and it will be finalised in the new financial year. 2019/2020.

### **TRAINING CONDUCTED TO IMPROVE QUALITY OF LEARNING AND TEACHING**

- **Matthew Goniwe Level 4** = 30 ECD Practitioners started training and will complete in November 2019.
- **Jabulani Community Development Level 4** = 20 ECD Practitioners and Day Mothers completed their level 4 training During November 2018 and graduated in May 2019.

### **Workshop Awareness on Norms and Standards**

GDSD together with the LLM ECD team, Environmental Health, Social Development, Building Directorate and Development and Planning conducted a workshop for the registered and unregistered ECD's on the norms and standards for running an ECD site. 86 practitioners attended and they were encouraged to be the watchdog of the municipality regarding the mushrooming of ECD's.

### **Capacity building workshop on the integrated plan for Early Childhood Development**

The National Department of Social Development arranged a two day workshop on ECD policy and Nutritional Guidelines for ECD programmes and the new road to health book by the National DOH. Officials had to input into the plan to improve quality of learning and teaching in our ECD sites.

### **ECD Mobile Kitchen trailer Launch**

The Jabulani ECD mobile ECD, having received funding from Department of Social Development, has now been funded to offer a full programme which include offering meals for the children. Most of these children are vulnerable and their parents are not working, hence cannot afford to take them to ECD sites. This programme meets the educational part where children are stimulated and they also receive meals.

## **2. Facilitation of compliance with Health and Safety requirements**

### **Workshop on Early childhood intervention**

The Department of Health has a big responsibility for Early Childhood Intervention through identification of children with developmental challenges and treatment thereof. The workshop targeted ECD principals and all interested practitioners. The attendees received informal, interactive training from Health Care Professionals at Heidelberg Hospital regarding early identification of “challenges” in children and appropriate referral procedures. A total number of 40 participants attended the workshop. When it is noticed during the inspections that Social Services or any other type of support is needed, then assistance is requested from relevant departments/sections.

### **Interdepartmental ECD Forum**

This forum stakeholders and departments working with ECD services, met twice to discuss enabling compliance to upscale ECD services. Compliance is a key element in ensuring that ECD sites keep children safe in an environment that allows them to learn and grow. Planning together with all stakeholders enable the departments to track the process of registration for sites, with the department of social development.

## HIV & AIDS SERVICE

### HIV & AIDS MULTI SECTORAL PROGRAMME

#### INTRODUCTION

Lesedi HIV & AIDS Multi Sectoral Strategy is ward based in approach with a vision of providing a safe environment for all to initiate and sustain HIV& AIDS Programmes and interventions that are aimed at preventing new infections; eliminating stigma and discrimination; improving the lives of people living with HIV and supporting the affected families. The mission is to support, promote and provide sustainable needs-driven and evidence-based and output oriented programmes that are accessible and affordable.

The Multi Sectoral Strategy is underpinned by the following Gauteng Strategic Plan 2017/2022 Goals:

- An HIV free youth generation by 2030 (National Development Plan)
- A long quality life for all South Africans (National Development Plan)
- A combined multi sector effort to end the epidemic of HIV and TB (Sustainable Dev. Plan)

The Multi Sectoral Strategy further subscribes to the SA National Strategic Plan 2017/2022 Goals:

Accelerate prevention to reduce new HIV, TB & STI Infections (***Breaking the Cycle of Transmission***)

Reduce morbidity and mortality by providing treatment, care and adherence support

(***Reaching the 90 – 90 – 90 Targets***)

Reach all key & vulnerable populations with customised and targeted interventions

(***Nobody left behind***)

Address the social and structural drivers of HIV, TB & STI's (***A Multi Sectoral Approach***)

Ground the response in human rights principles and approaches (***Equal treatment and social justice***)

Promote leadership and shared accountability (***Mutual accountability***)

Mobilise resources and maximise efficiencies to support the achievement of NSP Goals (***Spend now, Save later***)

Strengthen strategic information to drive progress (***A Data- driven Action***)

#### INTER-SECTORAL AND INTERDEPARTMENTAL COLLABORATION

There is an Inter-sectoral & Interdepartmental collaboration to strengthen partnership with other stakeholders which are:

- ☐ Victim Empowerment Centre (a unit for sexual abused victims at the SAPS)
- ☐ Correctional Services (Education & Awareness for Staff & inmates)
- ☐ South African Police Services (Education & Awareness + Gender Based Violence)

- ☐ Home Affairs (Identity Documents & Birth Certificates for Grant Applications)
- ☐ Health (NGO Funding, Nutrition, Clinics & Hospital Services)
- ☐ Education (Schools)
- ☐ Social Development (NGO Funding and Social Services)
- ☐ South African Social Security Agency – SASSA (Social Grants)
- ☐ Cross-cutting Unit (Gender, Youth, Disability, Elderly & Children)
- ☐ South African National Defence Force (Education & Awareness)
- ☐ Faith Based Organisations (Moral regeneration, promotion of abstinence, spiritual counselling & leading the Candle Light Events)
- ☐ Traditional Healers (Education, Awareness & referral to health facilities)
- ☐ Men's Forum (Mobilisation of men for Reproductive Health & action on Gender Based Violence)
- ☐ Non-Governmental Organisations (Various services)

#### **LESEDI AIDS COUNCIL**

The Lesedi Local AIDS Council is fully functional and the Executive Mayor presides during quarterly meetings attended by different stakeholders. Progress Reports and other presentations are being made during these meetings. The AIDS Council has further engaged in road shows across Lesedi for outreach activities beyond quarterly meetings.

#### **HIV&AIDS WARD BASED EDUCATORS**

A total of 35 x HIV& AIDS Ward Based Educators work within the Lesedi Local Municipal Area and they work at 13 Wards which have been arranged into clusters. Cluster 1 (Wards 1 – 4, 9 & 10); Cluster 2 (Wards 5 & 6); Cluster 3 (Wards 7, 8 & 11); Cluster 4 (Wards 12 & 13). Each Cluster has a Supervisor for monitoring purposes. Sedibeng AIDS Directorate usually contracts NGO's to take care of Ward Based Educators in terms of administration, monitoring, support and payment of stipends. The Ward Based Educators receive a monthly stipend of R2 700.00 and Supervisors R3 200.00 respectively.



The Ward Based Educators are responsible for:

Mobilizing & strengthening all sectors within wards for the integrated & coordinated implementation of HIV& AIDS Programme

Implementing & hosting of all HIV& AIDS related national & international events in the wards

Ensure regular HIV& AIDS awareness campaigns including door to door campaigns

Identify problems within wards & refer cases to various local service providers e.g. Clinics, NGO's, Social Services, Home Affairs etc.

Ensure effective co-ordination of ward structures for participation in the Local AIDS Inter-sectoral Forums

Ensure regular distribution of Condoms and Information, Education & Communication (IEC) material to the community.

### **HIGHLIGHTS OF THE PROGRAMME**

Continuous employment of youth (35 x Ward Based Educators) and community members benefiting on referrals to different local service providers for assistance on health and social problems.

9 x Events & Campaigns were implemented during 2018/19 in terms of the Health Calendar and other programmes.

Consistency in the Local Inter-sectoral and Interdepartmental Collaboration monthly Meetings and activities.

2 x Quarterly AIDS Council Meetings have been conducted with different stakeholders.

4 x Civil Society Structures from Heidelberg, Devon, Vischkuil and Jameson Park have been mobilized.

Partnership with Major Globally Funded NGO's yielded good results wherein 5 Local NGO's secured funding to implement various Programmes. *(Further employment opportunities)*

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP						
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	2016/17		2017/18		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective: Render Social Services to the Community of Lesedi						
Improve access to ECD services	Day Mothers Established	9	9	9	21	21
Indigent & Pauper Funerals	Provide Indigent funerals to households that qualify	100% applications received	100% applications received	100% applications received	100% applications received	100% applications received
	Provide Pauper Funerals: Request from Forensic Laboratory	100% applications received	100% applications received	100% applications received	100% applications received	100% applications received
	Elderly and Disabled Educational & Awareness Programs	100% of budgeted programs	45% (Financial Constraints)	100% of budgeted programs	100% of budgeted programs	30% (Financial Constraints)
	Job Creation Funded by Council	11	11	11	21	21
	EPWP: Parks & Cemeteries	55	55	55	55	55
HAST	Aids Council Meetings	4	4	4	4	4

Employees: Child Care; Aged Care; Social Programmes					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	5	5	5	0	0%
13 - 15	3	4	3	1	25%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	8	9	8	1	11%

Financial Performance Year 2018/19: Child Care; Aged Care; Social Programmes					
					R'000
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	1945	1945	1988	2%
Expenditure:					
Employees	2530	0	0	0	#DIV/0!
Repairs and Maintenance	2	0	0	0	0%
Other	138	183	189	148	-24%
<b>Total Operational Expenditure</b>	2670	183	189	148	-24%
<b>Net Operational Expenditure</b>	2670	-1762	-1756	-1840	4%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.14.5

Capital Expenditure Year 2018/19: Child Care; Aged Care; Social Programmes					
R' 000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	
Project B	0	0	0	0%	
Project C	0	0	0	0%	
Project D	0	0	0	0%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

T 3.14.6

Due to all functions listed are basically within Provincial (Social Development) competency, no provision for capital budget has been done by Local Authority.

## COMPONENT E: ENVIRONMENTAL PROTECTION

Environmental health services partially play a role with regard to pollution control. The main focus areas are land -, water - and air quality control within the scope of Environmental Health. Over and above the mentioned areas, this section is also responsible for medical waste management whereby it is ensured that all medical waste generators in Lesedi (clinics -, hospitals -, veterinary services -, and general practitioners premises) comply with the Gauteng Provincial Health Care Regulations.

- The Highveld Priority Air-shed Plan, of which Lesedi is included has been finalised.
- All complaints relating to pollution control (air, noise; land; water and medical waste) were attended to.

### 3.15 POLLUTION CONTROL

Lesedi has been included in the Highveld Priority Air-shed Area to address air pollution. Even though Lesedi does not have large industrial area that can impact negatively on the air quality, we do experience a negative impact on air quality due to cross boundary pollution.

An Air Quality Management Plan has been developed by the Highveld Priority Area and the municipality is subjected to develop a local Air Quality plan based on local challenges.

Vehicle emissions also contribute negatively on-air quality, especially from heavy vehicles transporting goods on the N3 to and from Johannesburg and Kwa Zulu Natal. This matter will be addressed in the Local Air Quality Plan.

Environmental pollution as well as environmental protection is done by means of identifying the source of pollution and treating/addressing the cause.

This section also ensures that all medical waste generators comply with Medical Waste Regulations and that the medical waste service providers are contracted to dispose the waste. Illegal dumping is dealt with by both Environmental Health and Waste section by means of clearing the illegal dumping sites and conducting health education programmes

Pollution Control Policy Objectives Taken From IDP						
Service Objectives   <div>Service Indicators</div> (i)	Outline Service Targets   (ii)	2017/18		2018/19		
		Target	Actual	Target		Actual
		*Previous Year  (iii)	  (iv)	*Previous Year  (v)	*Current Year  (vi)	  (vii)
Service Objective xxx						
Water and air purity	Bateriological WaterSamples compliant	100%	100%	100%	100%	100%
	Air: x% of all readings taken throughout the year on at least weekly to be found acceptable by National standard	No Air Quality monitiring stations	No Air Quality monitiring stations	No Air Quality monitiring stations	No Air Quality monitiring stations	No Air Quality monitiring stations
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *Current Year' refers to the targets set in the Year 0 Budget/IDP round. *Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role. T3.15.3						

### 3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

#### 1. Tree Trimming and Felling Project in Various sites within Lesedi

##### Highlights & Actions

Tree pruning activities were conducted at various area and some of the areas were cleared jointly with the assistance of Electrical Department. Various areas were covered at Rensberg Romyn Street(9) ,Zuid Street (7), Rensburg Old Age home(9) and Walker Street (9), Luckhoff School( 132), Jordaan Park: Wes Street (6) and Bergsig : Angelier Street (32), Tolbos Street(41), Vygie(28) and Malva Street(13).

#### 2. Upgrading of nursery shade net structure.

Nursery shade net structure upgrades, plant collected, separated and transplanted to increase nursery plants

#### 3. Upgrading of Lesedi Main Entrances

Landscaping development on water wise flowerbeds was developed at the four way stop entrance at Louw - and Mare Street

#### 4. Development of new flowerbeds

New water wise flower bed was developed at Hospital Street and along Mare Street.

3. Opening of the Ratanda Cultural Park situated at the corner of Heidelberg Road.



## GENERAL MAINTENANCE AS PER MAINTENANCE PLAN

<b>Grass cutting and picking.</b>	<p>Grass cutting and disposal activities were conducted in:</p> <ul style="list-style-type: none"> <li>• Heidelberg &amp; Its Extensions covering all areas inclusive on Municipal Properties.</li> <li>• Ratanda &amp; Its Extensions covering all areas inclusive on Municipal Properties.</li> <li>• Devon &amp; Its Extensions covering all areas inclusive on Municipal Properties.</li> <li>• Vischkuil, Endicott, Blesbokspruit ,Aston Lake, Jameson Park and their various Extensions inclusive on Municipal Properties</li> </ul> <p>The routine maintenance was done as per schedules with deviations due unfavorable weather conditions.</p>
<b>Weeds control on roads and sidewalks.</b>	<p>Activities were conducted in :</p> <ul style="list-style-type: none"> <li>• Heidelberg &amp; Its Extensions covering all areas inclusive on Municipal Properties.</li> <li>• Ratanda &amp; its Extensions covering all areas inclusive on Municipal Properties.</li> <li>• Devon &amp; its Extensions covering all areas inclusive on Municipal Properties.</li> <li>• Vischkuil, Endicott, Blesbokspruit, Aston Lake and their various Extensions inclusive on Municipal Properties.</li> </ul>
<b>Cultivation and lying of flower beds.</b>	<p>Edging and laying flowerbeds activities were conduct at Heidelberg Town &amp; its Extensions. Municipal Facilities in Ratanda, Devon and Vischkuil.</p>
<b>Plants after care (Tree Pruning and Felling)</b>	<p>Tree pruning activities were done as follows:</p> <ul style="list-style-type: none"> <li>• Ratanda :Extension 7&amp; 8</li> <li>• Heidelberg :Rensberg, Bergsig, &amp; Heidelberg Town</li> <li>• Municipal facilities in Devon, Vischuil, Blesbokspruit</li> </ul>
<b>Weed spraying.</b>	<p>Control activities were conducted at:</p> <ul style="list-style-type: none"> <li>• Main roads at Ratanda, Ratanda Extension and at Municipal Facilities.</li> <li>• Heidelberg and its Extensions inclusive of Municipal Facilities.</li> <li>• Main roads at Devon, Vischkuil together with their Extensions and Municipal Facilities.</li> </ul>

<b>Environmental outreach and greening</b>	<p>Arbor month celebration was commemorated 17 - 21/09/2018 as part of DAFF's greening and job creation project during which :</p> <ul style="list-style-type: none"> <li>• 650 fruit trees were planted at Obed Nkosi.</li> <li>• Total Number of 200 trees were received from GDARD as part of Arbor month Contribution to the municipality.</li> <li>• Total Number of 33 trees were issued to community members as per request.</li> <li>• Total number 26 trees planted at Devon.</li> <li>• Total number 103 young people were recruited to assist to plant the tree as part of DAFF job creation programme.</li> </ul>
<b>Clearing of Vacant Stands</b>	<p>Total number of vacant stands cut at various sites within the municipality:</p> <ul style="list-style-type: none"> <li>• <b>Ratanda : 2</b></li> <li>• <b>Heidelberg : 33</b></li> </ul>
<b>Procurement of equipment's</b>	<ul style="list-style-type: none"> <li>• Newly purchased 8 Bush Cutter's ,1 Kudu Mower, 2 Chainsaws and 1 Pole pruner,</li> <li>• Purchase of 1 four wheeled raker and of 3 new backpack blowers. .</li> </ul>

#### **Monitoring of Red Data Species in Lesedi:**

Five localities of *Khadia beswickii* occurring at Jameson Park as well as localities of *Nerine gracilis*, *Kniphofia typhoides* and *Gladiolus robertsoniae* occurring at Devon are monitored on a three-monthly cycle in collaboration with the Red Data Co-ordinator, GDACE.

The new locality of *Nerine Gracilis* was discovered through GPS co-ordinates in the area conducted by GDARD to ensure that it is protected.

Three *Chortolirion* species, *Orbea cooperi* and *Crassula corallina* growing in the Lesedi area are monitored by GDARD to avoid depletion.

Capital Expenditure Year 2018/19: Bio-Diversity; Landscape and Other					
					R' 000
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All <b>NONE</b>	0	0	0	0%	
Project A	0	0	0	0%	
Project B	0	0	0	0%	
Project C	0	0	0	0%	
Project D	0	0	0	0%	

## COMPONENT F: HEALTH

### Primary Health Care

*Note: Recent legislation includes the National Health Act 61 of 2003.*

Primary Health Care is the competence of Gauteng Health Department

### 3.17 CLINICS

Primary Health Care services competency of Province.

### 3.18 AMBULANCE SERVICES

Ambulance services competency of Province.

### **3.19 Health Inspection; Food and Abattoir Licensing and Inspection**

Municipal Health Services (Environmental Health Services) is rendered on an agency basis on behalf of the Sedibeng District Municipality by means of a Service Level Agreement as from 1 July 2004.

The service is funded by National Treasury through the different Government structures.

The main functions rendered by this section are the following:

- Monitoring of Water Quality
- Food Safety and Hygiene monitoring
- Waste Management and general Hygiene monitoring
- Surveillance of premises (Ventilation; Moisture proofing; Structural Safety etc.
- Communicable and Environmental related Disease Control and Monitoring
- Vector Monitoring and Control
- Environmental Pollution control
- Disposal of the Dead: Paupers; Cemeteries; Funeral Undertakers etc.
- Chemical Waste: Radiation, Safe Energy-use & transportation of radioactive Waste
- With the inception of the New National Health Act, Act 61 of 2003, the following Provincial

Functions have been delegated in terms of the mentioned Act, to Local Authorities from February 2012 without any additional resources: All Government Buildings, including Provincial schools, Police Stations, Mortuaries, Forensic laboratories, hospitals and Correctional Services.

It must be noted that the Health Department is not responsible for the licensing of any food premises or abattoirs. A Certificate of Compliance is issued to premises that comply with the minimum Health Requirements regulated by the regulations Governing General Hygiene Requirements for food Premises and the Transport of Food. GN 20318 dated 30 July 1999. (R 962)

## **EDUCATION AND AWARENESS PROGRAMMES**

### **LESEDI ENVIRONMENTAL AWARENESS & EDUCATION FORUM**

The Forum was established in September 2016 and is functional.

#### **Wetland Rehabilitation projects**

- Clean up campaigns
- Upcoming capacity building and training programmes
- Tree planting programmes (quantifying numbers of trees planted)
- Upcoming ad-hoc Environmental Calendar Celebration
- Water saving initiatives or projects

#### **Waste Management**

- Street Cleaning Projects if available
- Projects from on Landfill sites status quo and recycling initiatives or activities
- Deliberate on Challenges experiences by the Municipality and assist through interventions or solutions based on best practices were necessary.



- To make people from all works aware of specific issues related to the surroundings including living or non-living elements, e.g. land , soil, water and other humans as well as awareness of their built, Social and economic surrounding and the impact of our actions on the environment.

## **2018/2019 AWARENESS AND EDUCATIONAL PROGRAMMES IMPLEMENTED**

Mandela Day Celebration: 18 July 2018

Hands wash demonstration for Day Mothers: 13<sup>th</sup> of September 2018.

Food Safety: 17 -20 September 2018

Scope of work for EHP's 25 September 2018

Clean up campaign: 19 October 2018.

Scope of EHP's: 24 January 2019

Clean up campaign: 23 March 2019

Water week celebration: 29 March 2019

Sanitation Week: 29 May 2019

### **MANDELA DAY CELEBRATION: 18 July 2018**

Nelson Mandela's birthday is on 18 July, and the call is out for people everywhere to celebrate his birthday by acting on the idea that each person has the power to change the world.

The police, EHP's and the clinic sister gave speeches on:

1. Children safety

2. The road to health chart
3. Importance of vaccination and not to skip one date:
4. Importance of Smart Start and for children to attend ECD's

## **FOOD SAFETY: 17 -20 SEPTEMBER 2018**

### **JOINT INSPECTION ON ALLEGED SALE OF "FAKE FOODS"**

Foodborne disease outbreaks in South Africa are typically caused by food contaminated with bacteria, viruses or Parasites and harmful colorants. The department of health noted with concern the food related videos that were circulated on social media about the alleged "unsafe" manufacturing of certain fake foods in South Africa.

The following are the examples of foodstuff that have surfaced from the social media and described as fake, harmful food colorants and which expired:

*Fake eggs being manufactured; fake eggs being cooked; fake plastic rice and fish; fake beef; fake mutton; coke 1,25L with some moving things inside; Fanta grape 1,25L label; Stoney ginger beer with no size indicated; Fanta orange 1.25L; twist granadilla 2L; tonic water 1L; Valpre Spring water; Albany brown bread and Blue Band margarine; syrup being sold as honey; baked beans in a fish tin etc.*

Joint inspections were conducted by Lesedi Environmental Health Practitioners, Lesedi Town Planners, Ratanda South African Police officers (SAPS, Ratanda Police Station Commander and Department of Home Affairs(immigration) conducted joint inspections to inspect quality of foodstuffs sold mainly at Tuck Shops and Spaza- Shops.

#### **Focus Areas:**

- Environmental Health Practitioners- Focus on Hygiene at tuck-shops, expired foodstuff, labelling of foodstuff
- Town Planners –Focus on Zoning and Rezoning, Adequate land use, Business rights and approved building plans
- South African Police Services – Focus on illegal substances in the Tuck-Shop such as cigarettes.

- Department of Home Affairs- Verification of foreign national's documents

### **CLEAN UP CAMPAIGN AT SHALIMAR RIDGE PRIMARY SCHOOL 23 MARCH 2019**

Land pollution emanates from human activities such as littering. The land plays a very important role in our health and wellbeing as it forms part of the environment that provides water, clean air and food to us.

The littering and illegal dumping of non-biodegradable substances such as plastic, glass, cans, etc. is very harmful to the environment because they take a very long time to breakdown and become less harmful, sometimes up to hundreds of years.

Taking care of the land and water resources is therefore very important.

#### Stakeholders

- Lesedi Local Municipality – Environmental Health Practitioners
- Gauteng Department of Health – Health Promoters
- Gauteng Department of Education
- Learners and Educators of Shalimar Ridge Primary

#### Waste Management

The three "R"s which are Reduce, Reuse and Recycle were presented.

Learners were encouraged to reduce the amount of waste that ends up in the landfill sites by ensuring that waste is separated from the source and from that point on what can be reused such as the other side of the page be used for further information and containers be used to store products again, and what can be recycled into other materials such as plastic to furniture be done.

#### Sanitation

The importance of clean water supply and the care of our sewer systems were highlighted. Learners were informed that only four items are allowed into our municipal sewer systems, those are urine, faeces, toilet paper and when someone needs to throw up. Then water sources should be respected, kept clean and not wasted.

#### Cleaning – up

All stakeholders the divided into four groups, then proceeded to pick up all the litter on school premises.

### **NATIONAL WATER WEEK CELEBRATION, 29 MARCH 2019**

Water Week celebration that was held at Multi-Purpose hall on the 23<sup>rd</sup> of March 2018. The aim of the programme was to educate the Learners of Khanya Lesedi Secondary School on the importance of water as well as to ensure that they understand that this natural resource is under severe stress.

The National Water Week is an awareness week campaign which serves as a powerful campaign mechanism re-iterating the value of water, the need for sustainable management of this scarce resource and the role water plays in eradicating poverty and under-development in South Africa. Lesedi Local Municipality encourages all community members to focus on the need to restore and preserve the most precious resource, water.

The event was in a form of a theatre show.

#### **Role Players**

- a. Gauteng Department of Agriculture and Rural Development
- b. Environmental Management Unit ( Sedibeng District)
- c. Rand water
- d. Department of Water Affairs

A total of 489 people attended the event.

### **NATIONAL SANNITATION MONTH CELEBRATION**

National Sanitation Month celebration that was held at Shalimar Primary School in Shalimar on the 29<sup>th</sup> of May 2019. The aim of the programme was to educate the learners about the importance of sanitation in daily living.

The theme was "Leaving no one behind". The main objective of celebrating Sanitation and Hygiene Month is to raise the profile of sanitation and encourage learners and communities to prioritise sanitation, health and hygiene.

Further the period is to highlight the work that the government is doing to ensure that:

- All South Africans have access to decent sanitation
- The critical importance of looking after sanitation facilities
- Communities are well informed of the need to practice good hygiene practices, like washing of hands after using the toilet and before preparing food.

Sanitation has from the past not been regarded as a priority, thus the Lesedi environmental awareness forum identified need to raise the profile of sanitation in order to change the mindsets of ordinary citizens through advocacy programs and campaign

Presentations were given to the Learners which covered:

- a) Water saving tips (by Rand Water)
- b) Types of Sanitation and challenges in SA (by DWS)
- c) Hand Wash Demonstration ( by Lesedi EHP)

Questions and answer sessions was opened after all presentations.

- DWS handed out soap, toilet paper and posters
- Rand water gave learners squeeze bottles and foam caps

Role Players

- Gauteng Department of Agriculture and Rural Development
- Environmental Management Unit ( Sedibeng District)

- Rand water
- Department of Water and Sanitation Affairs
- Department of Agriculture Forestry and Fisheries
- Independent Electoral Commission

350 Learners at foundation stage were reached

## **ENVIRONMENTAL HEALTH AUDIT: JUNE 2019**

The National Department of Health conducted an Audit on MHS KPA's as per National Norms and Standards on 13 and 14 June 2019. The Audit took place at Sedibeng District Municipality.

The National Norms and Standards for Environmental Health is the outcome of a process that is aimed to strengthen the provision of environmental health services in the country.

These Norms and Standards are premised on the fact that government recognizes the importance of disease prevention across all levels of health care. The Norms and Standards are therefore essential to strengthen the delivery of Environmental Health Services as a critical programme of preventive services and clearly outline monitoring standards for the delivery of quality Environmental Health Services (EHS). The mentioned Norms and Standards aims to promote compliance to environmental health related legislation and to provide a national approach in standardizing activities in the delivery of EHS and to establish a level against which EHS delivery can be assessed and gaps identified.

Municipal Health Services is a direct Metropolitan and District municipality function. The Local Government : Municipal Systems Act , Act 32 of 2000 prescribe the criteria and process for deciding on mechanisms to provide municipal services ( if it has the capacity to do so) or can appoint a service provider to render the service on its' behalf. The Sedibeng District Municipality (SDM) opted for the latter option and resolved in 2004 to appoint the three local municipalities within its jurisdictional area, to render the MHS as agents for the SDM. This arrangement is formalized through a service level agreement (SLA) and is renewed on annual basis by the parties to this agreement.

The service is coordinated at District level whilst implementation (operational activities) takes place at local municipality level. The local municipalities are specifically contracted to render those services as defined within the Health Act, (Act 61 Of 2003) as MHS namely:

- *Water quality monitoring*
- *Food Control*
- *Waste Management*

- *Health Surveillance of premises*
- *Surveillance and prevention of communicable disease*
- *Vector control (Pest control)*
- *Environmental pollution control*
- *Disposal of the dead*
- *Chemical safety*

The SLA in summary, specify what is expected from the parties to the contract, formalize the implementation of MHS and prescribe the reporting regime. Further, the National Norms and Standards for premises and monitoring standards, as approved by the Minister of Health, forms the basis of the agreement and prescribe how services are to be rendered.

The obligation of the SDM in terms of the SLA is to oversee and monitor the implementation of the agreement and to refund municipalities for the expenditure in relation to the rendering of MHS behalf of the District on a monthly basis.

The obligation of the local municipalities on the other hand is to render MHS as per the schedule and annexure to the SLA which deals specifically with what services are to be rendered, at what service standard and interval. Municipalities are also required to report on their activities on a monthly and quarterly basis.

The National Norms and Standards aim to promote compliance to Environmental Health related legislation and to provide a national approach in standardizing activities in the delivery of EHS and establish a level against which EHS delivery can be assessed and gaps identified.

The audit was undertaken by National Department of Health on 16 -17 June 2019.

A score of 92% was achieved by the local authorities in the district, compared to the score achieved during 2018 which was 88%.

Even though there is improvement, the following findings of under-performance or non-compliance were highlighted in the preliminary report and can be summarized as follows:

#### **A. Client Rights: Administration**

There are no approved, standardised type signboards available at the service centres which indicate as to who the responsible authority is, contact details, services rendered as well as office hours.

#### **B. Operational Management: Human Rescores**

The Sedibeng district falls short by a big margin in terms of compliance with the **national staffing** norms for MHS which is 1: 10 000 EHP/population.

**C. Operational: Waste Management**

Standardised checklist indicating all risk factors for waste sites are available, but not standardised and utilized across the district

**D. Operational: Law Enforcement**

1. All Environmental Health Practitioner's (EHP's) are not trained and appointed as Peace Officers.
2. The Environmental Health Practitioners have not been appointed as Health Officers as directed by the National Health Act, Act 61 of 2003
3. No documented law enforcement system procedure is available.

**E. Operational: Health Surveillance of Premises**

The municipality scored 153 out of 167 elements. The following aspects must be attended to:

1. Health certificates must be issued to all types of premises
2. Premises that must be inspected annually are not inspected annually.

The basis of the audit was that if one of the 3 municipalities were non-compliant in any field, no score will be awarded for a specific domain, resulting in certain municipalities that might have had the information, did not receive any score if one municipality did not had the requested information or proof.

Even though the compliance of MHS portrait a relative good picture, the service is struggling to render effective services due to insufficient funding.

**Initiation Schools**

GoGTA and the CRL extended to closure of Initiation schools to 30 June 2019. Initiations schools were only approved in areas that could adhere to the requirements set by CRL, as from July 2019. Lesedi at this stage could not adhere to the requirements and did not approve any Initiation school.

**CLOURE OF ILLEGAL INITIATION SCHOOL AT FARM EENDRACHT RATANDA**

The monitoring team from Sedibeng Initiation Traditional Surgeon Committee, GOGTA, Lesedi Local Municipality, Contralesa, Ratanda SAPS, Heidelberg DSD and Sedibeng District Municipality visited an illegal initiation school at Eendracht farm Ratanda, on the 25 June 2019.

The initiation schools operated from 15 June 2019 until 19 July 2019

Due to the school being illegal, it was closed immediately.



## FOOD AND POTABLE WATER SAMPLING

This activity is undertaken to ensure that food distributed is compliant and safe to use by consumers.

Number of Food Samples: 34 Samples

Water Samples: Blue Drop Compliance: 300

Employees: Health Inspection and Etc					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	4	4	4	0	0%
7 - 9	6	6	6	0	0%
10 - 12	7	7	7	0	0%
13 - 15	9	9	9	0	0%
16 - 18	11	11	11	0	0%
19 - 20	18	18	18	0	0%
Total	55	55	55	0	0%

Financial Performance Year 2018/19: Health Inspection and Etc					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	3478	3864	3864	4004	3%
Expenditure:					
Employees	4621	5133	4923	4680	-10%
Repairs and Maintenance	12	147	147	79	-86%
Other	272	531	531	304	-75%
<b>Total Operational Expenditure</b>	4905	5811	5601	5063	-15%
<b>Net Operational Expenditure</b>	1427	1947	1737	1059	-84%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.19.5

Environmental Health Services, is a pro-active service, striving to prevent any negative health impact. The main objective of the service is to provide a safe and healthy environment to the residents. The service is rendered on behalf of Sedibeng District through Service Level Agreement for funding.

## COMPONENT G: SECURITY AND SAFETY

### 3.20 TRAFFIC

#### INTRODUCTION TO SECURITY & SAFETY

Lesedi Traffic department's service is aligned to the National and Gauteng Crime Prevention Strategy. Traffic policing centre on all activities which reduce, deter or prevent the occurrence of all accidents by:

- ensuring effective and efficient law enforcement,
- providing supportive traffic control services with the vision to secure a safe road environment where the community can confidently use all roads in Lesedi municipality without fear for damages, injury or death, and
- monitoring of relevant road infrastructure as well as strategic interventions where and when necessary.

The fundamental duties of the traffic section is to ensure the free flow of traffic, control at accident scenes as well as ensuring compliance to traffic legislation.

During 2018/2019, joint road blocks were held with SAPS and different Provincial Traffic Departments. Road safety promotion campaigns were conducted at schools and in the community. Social Crime Prevention campaigns were held jointly with Gauteng Department of Community Safety, Department of Education, Correctional Services, Sedibeng District Municipality Community Safety, SAPS and CPF's, targeting school safety, drug abuse, Crime Prevention through Environmental Design, 16 Days of Activism and Youth Crime Prevention.

The Traffic Law Enforcement Plans were implemented and the set targets were met. A number of joint operations (Road Side Check Points) were also conducted with other relevant enforcement agencies.

The following are primarily the main contributors to traffic related crimes:

- Driving under the influence of alcohol.
- Speed offences
- Theft of motor vehicles
- Driver fitness
- Vehicle fitness

Documentation (No driving licence, licence discs, etc)

### **Law enforcement operations**

The following is the breakdown of law enforcement activities conducted during 2018/2019:

<b>ACTIVITY</b>	<b>ACHIEVEMENTS</b>
Roadblocks	12
Joint Operations	36
Speed Fines	None
Sect 56 notices	1426
Pedestrian Safety Operations	21

### **Traffic Escorts**

Traffic escort are conducted by the traffic department to minimise traffic delays and unnecessary congestions. The department developed the deployment plan where Traffic Officers are strategically deployed to assist with traffic control for Funeral escorts, especially on Saturdays. Abnormal loads were escorted through the town with a total of 55 heavy duty trucks assisted

### **Community Safety Forum (CSF) Programmes**

The total number of CSF campaigns conducted were 11 and this include Social Crime Prevention programmes that were held jointly with Gauteng Department of Community Safety, Department of Education, Correctional Services, Sedibeng District Municipality Community Safety, SAPS and CPF's, targeting school safety, drug abuse, Crime Prevention through Environmental Design, 16 Days of Activism and Youth Crime Prevention.

### **School Safety**

The traffic department assisted the schools with the training to conduct scholar patrol activities as part of the Community Safety Forum programme. This is undertaken to promote school safety by educating school children about safety aspects when doing scholar patrol activities. All 12 registered primary schools around the municipal area were trained.

### **School Talks/ Dialogues**

This is the programme that was held with different schools around Lesedi with the following objectives:

- To enhance the positive development of learners and the whole school community by encouraging learners to refrain from drugs and alcohol abuse and increase wellness and facilitate adoption of healthy lifestyles.
- To increase awareness on road safety and sensitise learners about bullying as well as other pertinent crime patterns around the schooling environment.

### **Public transport awareness programmes**

The purpose of the programme is to advance road safety awareness initiatives around public transport facilities (Taxi Ranks) and also encourage public transport providers about the importance of providing a safe and more affordable, accessible and reliable transport system to communities in order to improve the economy. Part of this programme is to visit the malls to raise awareness in terms of prevalent crimes and mugging of community members after shopping.

### **Social Crime Prevention Initiatives**

The traffic department in conjunction with SAPS, Department of Social Development, Department of Health and Gauteng Liquor Board embarked on initiatives that were aimed at dealing with social crime related issues. Operations were undertaken to ensure compliance to legislation of all the liquor outlets. Punitive measures were taken against all illegal taverns.

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Service Objectives   Service Indicators (i)	Outline Service Targets   (ii)	2016/17		2017/18		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
<b>Traffic &amp; Public Safety</b>	% of Traffic Law enforcement incidents responded too.	100%	100%	100%	100%	100%
	Conduct Road Safety Campaigns	2	2	2	4	4

Employees: Traffic Officers					
Job Level	Year -1	Year 0			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy	0	0	0	0	0%
Other Police Officers	0	0	0	0	0%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	0	0%
10 - 12	15	15	15	0	0%
13 - 15	3	4	3	1	25%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	19	20	19	1	5%

Financial Performance 2018/19: Police					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	49862	45925	19150	726	-6226%
Expenditure:					
Police Officers					
Other employees	11960	13778	13262	13306	-4%
Repairs and Maintenance	259	335	524	401	16%
Other	3811	43888	1887	2301	-1807%
<b>Total Operational Expenditure</b>	16030	58001	15673	16008	-262%
<b>Net Operational Expenditure</b>	-33832	12076	-3477	15282	21%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.20.5					



### 3.21 FIRE AND RESCUE

The core function of the Fire and Rescue Services is to render fire -fighting, rescue - and fire safety services and ensure the safety of human life and property. This section further extends its services regarding public information education relations (PIER) sessions at schools, businesses and at community level in order to make people aware of the dangers of fire and further enhancing good relations with our communities. Fire hydrants inspections were conducted on regular basis to ensure continuous functionality. Part of the Fire Safety programme entails business inspections and approval of business plans to ensure compliance to fire safety. The Centralised Communications Centre (CCC) deals with emergency calls, general complaints, water and electrical complaints and any other calls received from time to time and thereafter referred to the relevant departments. (The water, electricity and other complaints are only handled by the CCC after office hours.) The CCC operates on the 24 hour basis.

#### Response Times

The turnout time for incidents was achieved within a period not longer than 3 minutes with the average turnout time being 1.74 minutes.

The turn up time for first incidents was achieved within a period not longer than 20 minutes with the average of 13 minutes.

#### Overall Performance of Fire and Rescue Services

During the year 2018/19 the municipality attended to 1194 calls within applicable South African National Standards (SANS Code). These calls included all household and property fires, veld fires, hazardous chemicals calls rescue and extrication service to both fire related and motor vehicle accidents. All 275 fire extinguishers were serviced within all the municipal buildings with the total of 332 building plans scrutinized and approved. A total of 909 Fire hydrants were inspected and maintained as well as 49 commercial inspections.

#### Fire Prevention

The Fire department through Sedibeng District Municipality entered into a partnership aimed at bringing innovative and innovative measures to reduce the impact of fire risks within communities. SANTAM introduced the project called BAAM ( Business-Adopt-A-Municipality) where 700 smoke detectors for installation at identified ECD centers and Old Age Homes and Fire & Rescue equipment to Lesedi Fire & Rescue services.

#### Specialized Fire Services

Specialized firefighting services is the competency of Sedibeng District Municipality. This service is rendered through the Service Level Agreement

### Disaster Management Services

Lesedi Local Municipality has a Disaster Management Plan that is being reviewed. The purpose of the plan is to guide the municipality in case of disasters.

Fire & Rescue Service Data				
	Details	Year -1	Year 0	
		Actual No.	Estimate No.	Actual No.
1	Total fires attended in the year			285
2	Total of other incidents attended in the year			605
3	Average turnout time - urban areas			
4	Average turnout time - rural areas			
5	Fire fighters in post at year end			19
6	Total fire appliances at year end			3
7	Average number of appliance off the road during the year			3

Financial Performance Year 2018/19: Fire Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	95	65	102	139	53%
Expenditure:					
Fire fighters					
Other employees	10449	15326	11715	9496	-61%
Repairs and Maintenance	215	721	556	467	0%
Other	564	1472	1379	682	-116%
<b>Total Operational Expenditure</b>	11228	17519	13650	10645	-65%
<b>Net Operational Expenditure</b>	11133	17454	13548	10506	-66%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.21.5</i>

Capital Expenditure Year 2018/19: Fire Services					
					R' 000
Capital Projects	Year 2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
0					
Project A	0	0	0	0	280
Project B	0	0	0	0	150
Project C	0	0	0	0	320
Project D	0	0	0	0	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.21.6					

Service Objectives  <i>Service Indicators</i>  (i)	Outline Service Targets  (ii)	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year		*Previous Year	*Current Year	
		(iii)	(iv)	(v)	(vi)	(vii)
<b>Rescue Services</b>	% of fire and rescue incidence responded to	100%	100%	100%	100%	100%
	a) Inspection of hydrants	200	180	200	200	401
	(b) Servicing of fire extinguishers	275	275	275	275	275
	(c) Improve turnout time	3min	2.39 min	3 min	3 min	2.25 min
	d) Improve response time	20 min	19 min	20 min	20 min	17 min
	(e) Scrutinizing of building plans	240	236	240	240	230

Employees: Fire Services					
Job Level	Year -1	Year 0			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy	1	1	1	0	0%
Other Fire Officers					
0 - 3	0	0	0	0	0%
4 - 6	5	5	5	0	0%
7 - 9	0	1	0	1	100%
10 - 12	16	18	18	0	0%
13 - 15	1	3	1	2	67%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	22	27	22	5	19%

## COMPONENT H: SPORT AND RECREATION

The municipality recognizes the fact that residences within its borders have vast talents in sports and wants to give formal recognition to those who excel locally. The focus is on the following adopted codes by Minister of Sport: -

### **The imposition of the seven priority codes (Netball, Football, Cricket, Rugby, Athletics, Boxing and Aquatics).**

Seven priority codes are part of the developmental programme adopted in order to open up opportunities to and expose communities to different codes which were not readily available or familiar to their environment various. Programmes and **Projects undertaken are as follows: -**

### 3.23 SPORT AND RECREATION

Chess tournament	Its objective was to promote mental thinking and to establish an association for development. It conducted in conjunction with Gambits Foundation. Clubs have been established and a hall was made available for chess practice every Wednesday of the week starting from 14:00 – 17:00
Social Cohesion community games/ Under/09	It was organized to introduce the under/9 participants to football and to discourage social ills (substance abuse). It was organized in conjunction with Sydwell Maboe, the ex-professional player of Orlando Pirates and sponsored by department of Sport. These are festive annual games. Winning teams receive trophies, medals and soccer kit.
Aerobics 67 minutes programme	The aerobic games were conducted in partnership with Mo-Seb- Kasi Club with an aim for promoting healthy life style and waging of obesity. This resulted in various clubs been formed and it is taking place once a month around the area of Lesedi.
OR. Tambo-Soncini Social Games.	The games were cohosted with SACR for participating in the Gauteng Provincial Games knockout. They were in three stages namely: Local, Regional games and Provincial knockouts. The games aimed at identifying talents for high-tech sport.
Opening of the Sports Combi-Court: Jameson Park	The combi court was opened by honorable MEC of Sports, Arts, Culture & Recreation, Faith Mazibuko. The aim of the court is to encourage mass participation and healthy

	lifestyle. Sporting codes that played on the day were Volleyball, Netball and Five aside football.
Rural Development Programme	It was jointly arranged with SACR in a form of coaching clinics and festivals and held in Impumelelo.
Boxing Promotion Tournament	An amateur boxing tournament together with Sedibeng Boxing Association was hosted at multipurpose hall. The aim was promote this sporting code.

## ARTS AND CULTURE DEVELOPMENT

Lesedi Local Municipality is a tourist destination known for its special place in history of the Transvaal, for its heritage architecture, streetscapes, parks and landmarks. Built on these assets is a rich arts and cultural environment.

It is from this strong trait that Arts & Culture programme was deemed to be designed so as to enhance arts & cultural development over the coming years, aiming to ensure that:

- *Lesedi will be known for its rich arts, cultures, history and contemporary activities. This will be achieved by engaging local people, mobilizing diverse resources, developing projects which express our shared cultural values and by nurturing creative talent.*

Standard Bank Joy of Jazz Workshop	Learn Music Business workshop: The objective was to teach the artists on how the music industry operates, informing them about opportunities available in the industry, strengthening capacity to access the industry and motivating the artist to realize their dreams.
Holiday Programme: Talent Show: Ratanda including areas of Impumelelo, KwaZenzele and Jameson Park	This programme was hosted in partnership with Gauteng Sport, Arts, Culture & Recreation with the aim of identifying and nurturing local talent. The programme was more on poetry, music, theatric and dance with the aim of promoting social cohesion.
Gauteng Film Screening Workshop	Its objective was to introduce the artist in audiovisual industry, focusing more on TV and Filming aspects in the industry. It was hosted by Gauteng Filming Commission. Out of the workshop, Ms. Nomthandazo Mnguni was appointed by GFC to air all films she has made and to further workshop the upcoming film makers. Two roadshows were conducted at Ratanda and Devon/Vischkuil areas.
Gauteng Carnival 2018	It was organized in conjunction with the department of Sport, Arts, Culture & Recreation. It is talent showcase for Gauteng which attempts is to discourage xenophobia. It took place in the City of Tshwane and supported by Sedibeng District Municipality by availing three buses for transporting participants to event venue. Challenge is that choreographers are being paid late.



Geographic Name Change	The Committee was established to ensure that the process of name changing is undertaken. Meetings are taking place every month with a sole aim of cultivating a way forward to start the actual changing processes.
Product and enterprise development for crafters.	The project was undertaken jointly with SACR from 1 April 2018 and it is on-going. It is a sewing project targeting the unemployed youth and women. It is divided into both tuition and practical.
Heritage Museum	The Heidelberg Museum has been renovated, upgraded and recommended that a lease agreement be entered into between Council and Heidelberg Beer Festival. It is now open for the community.
Construction of Memorial Wall	The Council has acceded and reserved erf 1575 situated at the corner of Protea and Moloi Streets for the construction of "Memorial Wall" for the victims of 1992 Bus Attacks and all those who died in the course of struggle for absolute liberation. The project is about to unfold once the consultation processes have been undertaken.

Employees: Sport and Recreation					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	6	8	6	0	0%
10 - 12	0	0	0	1	0%
13 - 15	1	2	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	8	11	8	1	9%

Financial Performance Year 0: The Executive and Council					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	6218	6720	7589	7535	11%
Expenditure:					
Employees	26058	12353	10383	13171	6%
Repairs and Maintenance	198	470	514	350	-34%
Other	3997	18306	18589	10471	-75%
<b>Total Operational Expenditure</b>	30253	31129	29486	23992	-30%
<b>Net Operational Expenditure</b>	24035	24409	21897	16457	-48%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.24.5					

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

Corporate Services Department is central to the governance in the Municipality. Corporate Service in the main is expected to provide the following support services to Municipal Departments: -

- Human Resources
- Labour Relations
- ICT
- Facilities Management
- Fleet Management
- Administrative support & Secretariat
- Legal
- Security
- Records Management

### 3.24 EXECUTIVE AND COUNCIL

Council members have been elected by an electorate to make decisions on their behalf regarding service delivery within the municipality. Thus, the council has the responsibility to oversee the executive actions of the appointed officials acting on its behalf.

The Mayoral Committee is appointed to assist the council in formulating guidelines (policies) for operation; to monitor the operations of the appointed officials; and to evaluate results on behalf of Council.

The Accounting Officer and other HODs are appointed to manage the administration of the municipality.

Employees: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	1	100%
10 - 12	1	2	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Councillors	26	26	26	0	0%
Ward Committee Members	121	130	121	9	7%
Total	150	160	150	10	6%

### 3.25 FINANCIAL SERVICES

There were no capital projects budgeted for the financial services department during the financial year as per the IDP.

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	Year -1		Year 0			Year 1	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	108 335 142.39	0.19	111 123 992.92	111 123 992.92	0.17	117 791 432.50	0.18
Electricity - B	53 225 551.73	0.09	57 300 948.60	57 300 948.60	0.09	60 739 005.52	0.09
Electricity - C	170 691 495.81	0.30	181 681 811.11	181 681 811.11	0.28	192 582 719.78	0.30
Water - B	8 696 481.87	0.02	9 834 713.32	9 834 713.32	0.02	10 424 796.12	0.02
Water - C	97 871 484.81	0.17	112 954 724.03	112 954 724.03	0.17	119 732 007.47	0.18
Sanitation	27 394 893.15	0.05	31 131 433.53	31 131 433.53	0.05	32 999 319.54	0.05
Refuse	33 794 582.02	0.06	35 799 855.68	35 799 855.68	0.06	37 947 847.02	0.06
Other	3 989 073.02	0.01	4 354 609.17	4 354 609.17	0.01	4 615 885.72	0.01

*B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.*

T 3.25.2

Total	503 998		544 182
Year average collection	704.80		088.32
%	89.04		84.04

Financial Service Policy Objectives Taken From IDP								
<div>Service Objectives</div> <div>Service Indicators</div> <div>(i)</div>	<div>Outline Service Targets</div> <div>(ii)</div>	Year 0		Year 1			Year 3	
		Target	Actual	Target		Actual		
		*Previous Year (iii)		*Previous Year (v)	*Current Year (vi)		*Current Year Target	Actual (x)
Service Objective xxx								
Basic service delivery	Total Number of indigent households registered by year end. <b>(Cumulative)</b>	2000	2000	4000	4337	4337	5000	6216
Reducing water and electricity losses	Number of meter audits	0	0	T1% reduction in invoices raised; target limit of invoices	2824	10800	T5% reduction in invoices raised; target limit of invoices	T5% reduction in invoices raised; target limit of invoices
Continuously create a conducive environment through the implementation of organizational values and corporate governance principles for the efficient and effective delivery of quality services in fulfilment of the municipal legislative mandate.	Resolution of billing queries.	0	0	0	0	0	100%	87%

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T 3.25.3

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	2	2	2	0	0%
7 - 9	20	24	20	4	17%
10 - 12	8	9	7	2	22%
13 - 15	3	4	3	1	25%
16 - 18	4	4	4	0	0%
19 - 20	0	0	0	0	0%
Total	37	43	37	6	14%

Financial Performance Year 2018/19: Financial Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	218209	233531	235972	237918	2%
Expenditure:					
Employees	17965	21905	20244	16197	-35%
Repairs and Maintenance	0	107	0	0	0%
Other	39402	50290	53186	55108	9%
<b>Total Operational Expenditure</b>	57367	72302	73430	71305	-1%
<b>Net Operational Expenditure</b>	-160842	-161229	-162542	-166613	3%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.25.5					

There were no capital projects budgeted for the financial services department during the financial year as per the IDP. All capital projects were for the infrastructure department.



### 3.26 HUMAN RESOURCE SERVICES

With regards to Human Resources we have seen great improvement in terms of policy development as critical HR Policies were developed and reviewed, amongst others the following key policies; Bursary Scheme Policy; Leave Management Policy; Recruitment Policy; Code of Conduct and Disciplinary Procedure.

The Equity Plan was reviewed and reported in terms of sec 21 of the Employment Equity Act (Act No. 55 of 1998 as amended) to the Department of Labour.

The Workplace Skills Plan (WSP) was successfully completed and submitted to the Local Government SETA. The following trainings were conducted;

1. Municipal Finance: 5 employees
2. End User Computing: 20 Councillors
3. Commissioner of Oath: 10 employees
4. Records Management: 1 employee

Human Resource Services Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2017/18		2018/2019		
		Target	Actual	Target		Actual
Service Indicators		Previous Year		Previous Year	Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
<b>Municipal transformation and institutional development</b>						
<b>Improve organisation knowledge</b>	Number of section 57 positions filled as per organogram annually	6	4	6	6	4
<b>Optimise systems administration and operating procedures</b>	Percentage of internal ICT calls logged and resolved.	100%	100%	100%	100%	100%
	Average number of days taken to finalise internal disciplinary hearings from date of the filing of the misconduct/grievance	90		90	90	90
	Implementation of the Schedule 8 of Labour Relations on disciplinary procedure.	100%	100%	100%	100%	100%

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	2	2	2	0	0%
10 - 12	2	4	2	2	50%
13 - 15	2	2	2	0	0%
16 - 18	0	1	0	1	100%
19 - 20	0	0	0	0	0%
Total	6	9	6	3	33%

Financial Performance Year 2018/19: Human Resource Services					
					R'000
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	90	218	100%
Expenditure:					
Employees	4160	4528	3891	3715	-22%
Repairs and Maintenance	0	0	0	0	0%
Other	655	3002	2256	1489	-102%
<b>Total Operational Expenditure</b>	4815	7530	6147	5204	-45%
<b>Net Operational Expenditure</b>	4815	7530	6057	4986	-51%

### 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT systems and infrastructure were stable during the 2018/19 financial year with no major incidents or security events that would adversely impact service delivery. Information Security continues to be a concern and needs continuous assessment and improvement.

Projects to modernise the ICT infrastructure as per the Master System Plan continued to be implemented however the ICT Disaster Recovery Plan (DRP) which is informed by the organisation wide Business Continuity Plan (BCP) was not fully implemented.

Projects to establish a people-centred, performance driven one stop Customer Service Centre and to improve Business Processes across Departments were successfully delivered. Minimum compliance to Municipal Standard Chart of Accounts (mSCOA) as per National Treasury requirements was achieved. The project to upgrade our Financial Management System to a modern and mSCOA compliant Solar ERP system was completed in Dec 2018.

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	4	1	3	75%
10 - 12	1	3	2	1	33%
13 - 15	0	2	0	2	100%
16 - 18	0	1	0	1	100%
19 - 20	0	0	0	0	0%
Total	2	10	3	7	70%

Financial Performance Year 2018/19: ICT Services					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	190	0	1300	1175	100%
Expenditure:					
Employees	941	1667	2662	1464	-14%
Repairs and Maintenance	17	110	100	57	-93%
Other	7527	7200	9552	8368	14%
<b>Total Operational Expenditure</b>	8485	8977	12314	9889	9%
<b>Net Operational Expenditure</b>	8295	8977	11014	8714	-3%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.27.5					

Capital Expenditure Year 2018/19: ICT Services					
R' 000					
Capital Projects	Year 2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3700	1550	777	-376%	
Project A	2800	0	621	-351%	
Project B	900	1550	156	-477%	
Project C	0	0	0	0	
Project D	0	0	0	0	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.27.6					

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	2	2	2	0	0%
7 - 9	2	2	2	0	0%
10 - 12	3	3	3	0	0%
13 - 15	2	3	2	1	33%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	10	11	10	1	9%

### 3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Legal division handles all Municipal legal matters. Depending on the merits of each matter a decision may be taken to outsource. We are in the process of gazetting by-laws to ensure that the risks associated with litigation are minimized.

Facilities division was established and enhanced through capacitation to ensure efficient and effective management of municipal properties.

Gauteng Provincial Treasury assisted the Municipality in providing risk management services.

The municipality strives to provide efficient procurement services to its internal services in line with Supply Chain Management Policy.



Financial Performance Year 2018/19: Property; Legal; Risk Management and Procurement Services					
R'000					
Details	2017/18	Year 2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	73	1318	1198	1386	5%
Expenditure:					
Employees	7866	21230	20074	22405	5%
Repairs and Maintenance	8	2120	1719	1759	-21%
Other	3563	24415	24830	27926	13%
<b>Total Operational Expenditure</b>	11437	47765	46623	52090	8%
<b>Net Operational Expenditure</b>	11364	46447	45425	50704	8%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.28.5					

## COMPONENT J: MISCELLANEOUS

Not applicable the municipality does not provide the above-mentioned functions

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	Year -1	Year 0			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	47	53	47	6	11
Waste Water (Sanitation)	74	75	74	1	1
Electricity	36	47	36	11	23
Waste Management	31	40	38	2	5
Housing	11	11	8	3	27
Waste Water (Stormwater Drainage)	16	22	22	0	0
Roads	55	93	55	38	41
Planning	16	17	15	2	12
Local Economic Development	6	8	5	3	38
Community & Social Services	178	186	180	6	3
Environmental Protection	0	0	0	0	0
Health	55	55	55	0	0
Security and Safety	41	47	41	6	13
Sport and Recreation	8	11	8	3	27
Corporate Policy Offices and Other	62	76	56	18	24
<b>Totals</b>	<b>636</b>	<b>741</b>	<b>640</b>	<b>99</b>	<b>13</b>
<p>Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.</p>					

T 4.1.1

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	1	100.00
CFO	1	1	100.00
Other S57 Managers (excluding Finance Posts)	4	3	75.00
Other S57 Managers (Finance posts)	0	0	0
Police officers	0	0	0
Fire fighters	46	17	36.96
Senior management: Levels 13-15 (excluding Finance Posts)	24	4	16.67
Senior management: Levels 13-15 (Finance posts)	6	1	16.67
Highly skilled supervision: levels 9-12 (excluding Finance posts)	131	13	9.92

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
Highly skilled supervision: levels 9-12 (Finance posts)	10	2	20.00
<b>Total</b>	223	42	18.83
<p><i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>			
T 4.1.2			

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2017/18	29	26	90%
2018/19	42	18	43%
<p><i>* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year</i></p>			
T 4.1.3			

## Appointments of Executive Managers

- The Executive Manager Corporate & Legal Service

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Policies have been developed and approved by Council: -

- Recruitment
- Leave Policy
- Overtime Policy
- Disciplinary Agreement
- EAWP Policy and OHS Policy as a Code of Conduct

HR Section also embarked on reviewing the organizational structure as the outcome of the re-engineering process.

This process entailed amongst others, to ensure signed job description and placed on personal files.

The following committees were established: Employment Equity Committee, the OHS Committee, the HR Development Committee and the Job Evaluation Committee.

All new appointments are being vetted for qualifications and for criminal checks.

All new Section 56 & 57 are sent for competency tests.

The following committees were established the Employment Equity Committee, the OHS Committee, the HR Development Committee and the Job Evaluation Committee have been established.

All new appointments are being vetted for qualifications and for criminal checks.

All new Section 57 (now 56's) are sent for competency tests and that is given to the MM and the panel.

## 4.2 POLICIES

Most policies relevant to Human Resources have been reviewed at LLF Level and implemented in the year under review.

The LLF is fully functional and before any item can be discussed at LLF, it had to be served before the Senior Management Team then to LLF and then finally to Council.

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action			
2	Attraction and Retention	100		
	Bursary Policy	100		29/03/2018
3	Code of Conduct for employees	100		
	Dress Code Policy	100		
4	Delegations, Authorisation & Responsibility	100		
5	Disciplinary Code and Procedures			
6	Essential Services			
7	Employee Assistance / Wellness			
8	Employment Equity	100		
9	Exit Management	100		
10	Grievance Procedures			
11	HIV/Aids			
12	Human Resource Strategy	100		
13	Information Technology			
14	Job Evaluation	100		
15	Leave	100	1	29/02/2018
16	Occupational Health and Safety			
17	Official Housing			

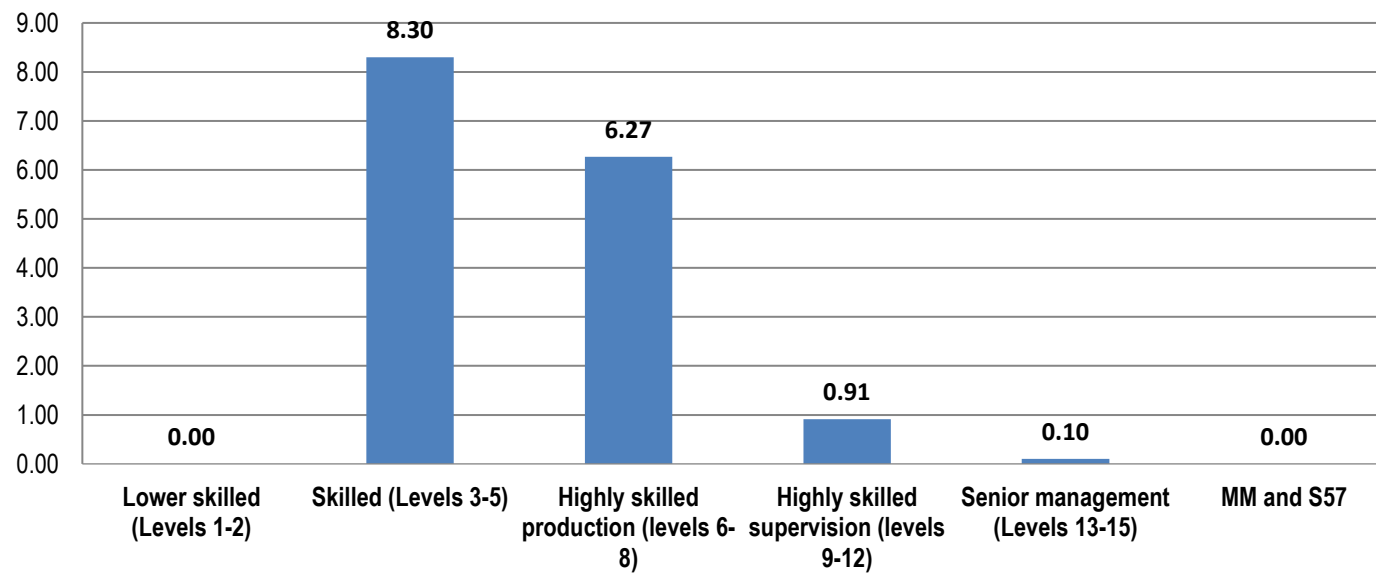
HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
18	Official Journeys			
19	Official transport to attend Funerals			
20	Official Working Hours and Overtime	100		
21	Organisational Rights			
22	Payroll Deductions			
23	Performance Management and Development			
24	Recruitment, Selection and Appointments	100		
25	Remuneration Scales and Allowances			
26	Relocation Policy	100	1	29/03/2018
27	Sexual Harassment			
28	Skills Development			
29	Smoking	100		
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing	100		
33	Other:			

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	0	0%	0	0	0.00	0
Skilled (Levels 3-5)	1339	2%	100	160	8.30	67871
Highly skilled production (levels 6-8)	1085	2%	75	173	6.27	71385
Highly skilled supervision (levels 9-12)	260	4%	2	285	0.91	26212
Senior management (Levels 13-15)	175	0%	1	39	0.10	40446
MM and S57	0	0%	0	0	0.00	0
<b>Total</b>	<b>2859</b>	<b>7%</b>	<b>178</b>	<b>657</b>	<b>15.58</b>	<b>205914</b>



### Average Number of Days Sick Leave (excluding IOD)



Municipality has been operating without taking into account the health and safety issues. This year we have prioritized safety of employees by taking the following steps as an intervention: -

An assessment of the working environment was conducted and a status report was compiled.

- Health and safety policy developed
- Health and Safety Committee was established and members have been trained.
- A position of Employee Wellness practitioner has been created
- Injury on Duty Policy (IOD) was developed as a guidance tool.

A road show was conducted in order to workshop staff on the importance of safety in the work place.

With regards to sick leave, the trends and tendencies are being monitored by the HR Administrator through a monthly report sending it to supervisor's making them aware of the trends and prompting them to find out reasons for such and to intervene.

Performance Counselling are conducted in instances where serious trends are being picked up before disciplinary action are implemented to ensure corrective action are taken.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
NONE				

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
NONE			

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and s57	Female	1	0	0	1	0	0	0	0	0	1	0	0	0
	Male	1	0	0	4	0	0	1	0	0	1	0	0	0
Councillors, senior officials and managers	Female	19	8	2	7	0	4	2	4	0	0	0	0	0
	Male	46	10	3	10	0	3	1	12	0	3	0	0	0
Technicians and associate professionals*	Female	123	5	2	20	2	2	10	6	0	0	0	0	0
	Male	162	80	45	60	10	2	8	4	0	0	0	0	0
Professionals	Female	54	2	12	6	1	1	1	2	0	0	0	0	0

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual : End of Year - 1	Actual : End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
	Male	119	4	25	2	6	10	7	2	0	0	0	0	0
Sub total	Female	40	16	18	30	14	7	10	27	0	0	0	0	0
	Male	120	70	80	70	80	15	15	10	0	0	0	0	0
Total		685	195	187	210	113	44	55	67	0	5	0	0	0
*Registered with professional Associate Body e.g CA (SA)													T 4.5.1	

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

The workforce expenditure is monitored closely and in the year under review the expenditure was kept within the required rate. The newly developed organisational structure is also within 20% and 24% of the norm. There is prioritisation of filling of positions taking into consideration the ever-changing patterns in revenue

## 1.6 EMPLOYEE EXPENDITURE

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female						10	20	10	20
	Male						20	25	20	25
Legislators, senior officials and managers	Female									
	Male									
Professionals	Female									
	Male									
Technicians and associate professionals	Female									
	Male									
Clerks	Female									
	Male									
Service and sales workers	Female									
	Male									
Plant and machine operators	Female									
	Male									

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
and assemblers										
Elementary occupations	Female									
	Male									
Sub total	Female						10	20	10	20
	Male						20	25	20	25
Total										
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
T4.5.3										

## CHAPTER 5 – FINANCIAL PERFORMANCE

At the end of the financial year 2018/19 the municipality had met 95% of the budgeted revenue, 96% of the budgeted operating expenditure and 70% of the budgeted capital expenditure.

The highlights are that the municipality is able to service its creditors within the regulated 30 day period and is not in arrears with regards to ESKOM and RandWater.

The main challenge that is faced is the high debt impairment that is due to non-payment for services by consumers.

Debt impairment makes up 21% of the total budget of the municipality and it amounted to R109 million. The average collection rate of the municipality amounted to 87% for the financial year which is 3% above the target of 85%.

The municipality realised a surplus of R27m for the financial year and this due to the improved financial management within the municipality.

**Employee Costs** – 22% of total operating expenditure. This is within the expected norm of 35%.

**Repairs and maintenance costs** - 3% of total expenditure. This appears very low when compared to expected norm of 8% and this is due to budget and cash constraints which limit the municipality when it comes to the ability to perform required repairs and maintenance of municipal infrastructure.

**Finance charges** – 1% of total expenditure indicates that even though the municipality is in a position to take on additional debt to finance infrastructure investments, it is rather concentrating on improving cash flow by implementing credit control and thus making the debt book liquid enough to internally fund such projects.

90% of all grants received were spent.

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The municipality realized a surplus of R27m for the financial year. The impairment of consumer debtors reduced by R6.3m when compared to the prior year. The municipality will continue to implement credit control and debt collection policy in order to increase the revenue collection and monitor indigent households.



## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	96,106	104,446	104,713	106,473	2%	1.65%
Service charges	437,757	454,228	452,736	424,388	-7%	-7%
Investment revenue	2,309	1,250	2,065	4,488	72%	54%
Transfers recognised - operational	106,612	121,014	119,799	185,266	35%	35%
Other own revenue	67,501	62,736	71,212	119,440	47%	40%
<b>Total Revenue (excluding capital transfers and contributions)</b>	710,286	743,674	750,524	840,055	11%	11%
Employee costs	157,125	160,143	173,744	165,005	3%	-5%
Remuneration of councillors	10,024	10,170	10,691	10,666	5%	0%
Depreciation & asset impairment	36,535	142,115	148,098	183,368	22%	19%
Finance charges	11,262	10,053	10,049	10,801	7%	7%
Materials and bulk purchases	296,517	308,470	289,653	271,362	-14%	-7%
Transfers and grants	4,697	–	–	–	0%	0%
Other expenditure	225,676	100,037	103,818	108,462	8%	4%
<b>Total Expenditure</b>	741,835	730,987	736,053	749,664	2%	2%

Financial Summary R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Surplus/(Deficit)</b>	(31,549)	12,687	14,471	90,390	86%	84%
Transfers recognised - capital	40,267	82,965	81,995	67,343	-23%	-22%
Contributions recognised - capital & contributed assets	–	–	–	7,174	100%	100%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	8,718	95,652	96,466	164,907	42%	42%
Share of surplus/ (deficit) of associate	–	–	–	–	0%	0%
<b>Surplus/(Deficit) for the year</b>	8,718	95,652	96,466	164,907	42%	42%
<b><u>Capital expenditure &amp; funds sources</u></b>						
<b>Capital expenditure</b>	–	–	–	–	0%	0%
Transfers recognised - capital	40,267	78,685	78,315	67,343	-17%	-16%
Public contributions & donations	–	–	–	7,174	100%	100%
Borrowing	–	–	–	–	0%	0%
Internally generated funds		16,878	18,108		0%	0%
<b>Total sources of capital funds</b>	40,267	95,563	96,423	74,517	-28%	-29%
<b><u>Financial position</u></b>						
Total current assets	135,073	159,186	158,547	189,206	16%	16%
Total non current assets	817,189	876,583	872,579	850,564	-3%	-3%
Total current liabilities	165,582	220,719	219,254	84,182	-162%	-160%

Financial Summary R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Total non current liabilities	116,254	285,974	284,509	274,241	-4%	-4%
Community wealth/Equity	670,425	749,796	746,618	766,529	2%	3%
<b><u>Cash flows</u></b>						
Net cash from (used) operating	30,214	95,194	98,113	105,481	10%	7%
Net cash from (used) investing	(31,206)	(95,563)	(96,423)	(65,818)	-45%	-47%
Net cash from (used) financing	(3,063)	(3,372)	(3,372)	(3,672)	8%	8%
<b>Cash/cash equivalents at the year end</b>	(4,056)	9,666	9,027	35,992	73%	75%
<b><u>Cash backing/surplus reconciliation</u></b>						
Cash and investments available	15,282	9,666	9,027	4,488	-115%	-101%
Application of cash and investments	–	(13,818)	(14,470)	–		
<b>Balance - surplus (shortfall)</b>	15,282	(4,152)	(5,443)	4,488	193%	221%
<b><u>Asset management</u></b>						
Asset register summary (WDV)	812,526	694,365	690,361	649,005	-7%	-6%
Depreciation & asset impairment	36,535	41,742	41,742	39,092	-7%	-7%
Renewal of Existing Assets	–	–	–	–		
Repairs and Maintenance	19,417	28,296	23,768	23,758	-19%	0%

Financial Summary R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b><u>Free services</u></b>						
Cost of Free Basic Services provided	–	–	–	–	%	%
Revenue cost of free services provided	–	–	–	–	%	%
<b><u>Households below minimum service level</u></b>						
Water:	–	–	–	–	%	%
Sanitation/sewerage:	–	2	2	–	%	%
Energy:	–	4	4	–	%	%
Refuse:	–	0	0	–	%	%
	0		0			
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						

T 5.1.1

Financial Performance of Operational Services						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b><u>Operating Cost</u></b>						
Water	118,075	90,552	91,293	115,078	-21.31%	20.67%
Waste Water (Sanitation)	25,432	24,984	25,358	31,071	-19.59%	18.39%
Electricity	274,941	281,421	285,334	283,860	-0.86%	-0.52%
Waste Management	32,422	23,833	24,924	32,154	-25.88%	22.48%
Housing	21,641	17,949	17,548	6,124	193.12%	-186.57%
Component A: sub-total	472,511	438,739	444,457	468,286	-6.31%	5.09%
Waste Water (Stormwater Drainage)	-	-	-	-	0.00%	0.00%
Roads	19,446	25,497	23,372	18,246	39.74%	-28.10%
Transport	-	-	-	-	0.00%	0.00%

Financial Performance of Operational Services						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Component B: sub-total	19,446	25,497	23,372	18,246	39.74%	-28.10%
Planning	–	–	–	–	0.00%	0.00%
Local Economic Development	4,226	5,271	5,330	18,355	-71.28%	70.96%
Component B: sub-total	4,226	5,271	5,330	18,355	-71.28%	70.96%
Planning (Strategic & Regulatory)	–	–	–	–	0.00%	0.00%
Local Economic Development	–	–	–	–	0.00%	0.00%
Component C: sub-total	–	–	–	–	0.00%	0.00%
Community & Social Services	15,646	14,631	15,190	26,981	-45.77%	43.70%
Environmental Protection	12,143	12,707	13,741	12,726	-0.15%	-7.97%
Health	5,624	5,795	5,127	5,624	3.05%	8.84%

Financial Performance of Operational Services						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Security and Safety	71,004	54,072	54,418	52,942	2.13%	-2.79%
Sport and Recreation	3,592	4,235	3,688	3,592	17.89%	-2.66%
Corporate Policy Offices and Other	–	–	–	–	0.00%	0.00%
Component D: sub-total	108,008	91,440	92,163	101,865	-10.23%	9.52%
<b>Total Expenditure</b>	<b>604,191</b>	<b>560,947</b>	<b>565,322</b>	<b>606,751</b>	<b>-7.55%</b>	<b>6.83%</b>

In the table above, the operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

## 5.2 GRANTS

Grant Performance						
Description	R' 000					
	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>107 797</b>	<b>122 187</b>	<b>122 187</b>	<b>122 187</b>	-	-
Equitable share	104 923	119 340	119 340	119 340	-	-
Municipal Systems Improvement	-	-	-	-	-	-
Expanded Public Works Program Integrated Grant	1 324	1 297	1 297	1 297	-	-
Finance Management Grant	1 550	1 550	1 550	1 550	-	-
Other transfers/grants [insert description]					-	-
<b>Provincial Government:</b>	<b>4 300</b>	<b>5 250</b>	<b>5 250</b>	<b>3 158</b>	-0.7	-0.66
Health subsidy	-	-	-	28	-	-
Libraries plan	3 300	3 000	3 000	1 381	-1.2	-1.17
Human Settlement	-	-	-	-	-	-
Expanded Public Works Program (Cogta)	500	1 000	1 000	1 000	-	-
Grap 17 Compliance	500	750	750	750		
Performance Management Services Grant	-	500	500	-	0	0
<b>District Municipality:</b>	<b>3 301</b>	<b>5 107</b>	<b>5 407</b>	<b>3 824</b>	-0.3	-0.41
Health subsidy	3 301	5 107	5 407	3 824	-	-
					-	-
<b>Other grant providers:</b>	<b>2 525</b>	<b>1 000</b>	<b>193</b>	<b>1 393</b>	0.3	0.86





Grant Performance						
						R' 000
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<i>[insert description]</i>						
<b>Total Operating Transfers and Grants</b>	<b>117 923</b>	<b>133 544</b>	<b>133 037</b>	<b>130 563</b>		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						
						<i>T 5.2.1</i>

All transfers and grants received for the year have been spent for the purposes they were received for where conditions were attached.

No grants were received from other sources.

### 5.3 ASSET MANAGEMENT

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	REPLACEMENT OF ASBESTOS PIPES LESEDI P2			
Description	Infrastructure Water			
Asset Type	Infrastructure Water			
Key Staff Involved	(Infrastructure for Water			
Staff Responsibilities	(Infrastructure for Water			
Asset Value	Year -3	Year -2	Year -1	Year 0
				13 689 049.97
Capital Implications	WSIG(Funding)			
Future Purpose of Asset	Upgrading of the Infrastructure			
Describe Key Issues	Replacement of AsbestosPipes			
Policies in Place to Manage Asset	Assest manatance Plans			
Asset 2				
Name	UPGRADE OF SEWER PUMP STATION IN LESEDI			
Description	Infrastructure			
Asset Type	Infrastructure (Sanitation )			
Key Staff Involved	Sanitation			
Staff Responsibilities	Sanitation			
Asset Value	Year -3	Year -2	Year -1	Year 0
				10 154 450.49
Capital Implications	WSIG (Funding)			
Future Purpose of Asset	Upgrading of the Sewer Pupms in Lesedi Area			

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Describe Key Issues	Sanitation			
Policies in Place to Manage Asset	Assest manatance Plans			
Asset 3				
Name	ROADS RESEALING IN HEIDELBERG AREA			
Description	Roads and Stomr water			
Asset Type	Roads and Stomr water			
Key Staff Involved	Roads and Stomr water			
Staff Responsibilities	Roads and Stomr water			
Asset Value	Year -3	Year -2	Year -1	Year 0
			5 012 764.29	
Capital Implications	Own Funding			
Future Purpose of Asset	Providing of electrification for a new tonship establishment			
Describe Key Issues	Providing of Roads and storm water			
Policies in Place to Manage Asset	Asset Manaintance Plans			
T 5.3.2				

Asset Management remains a concerning area for the municipality mainly due to undue reliance on consultants and lack of capacity that would ensure the transfer of skills by consultants.

Repair and Maintenance Expenditure: Year 0				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	33296	28768	23758	29%
				T 5.3.4

Repairs and maintenance expenditure was in line with the budget however the total expenditure of 4% is below the expected norm on 8%

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

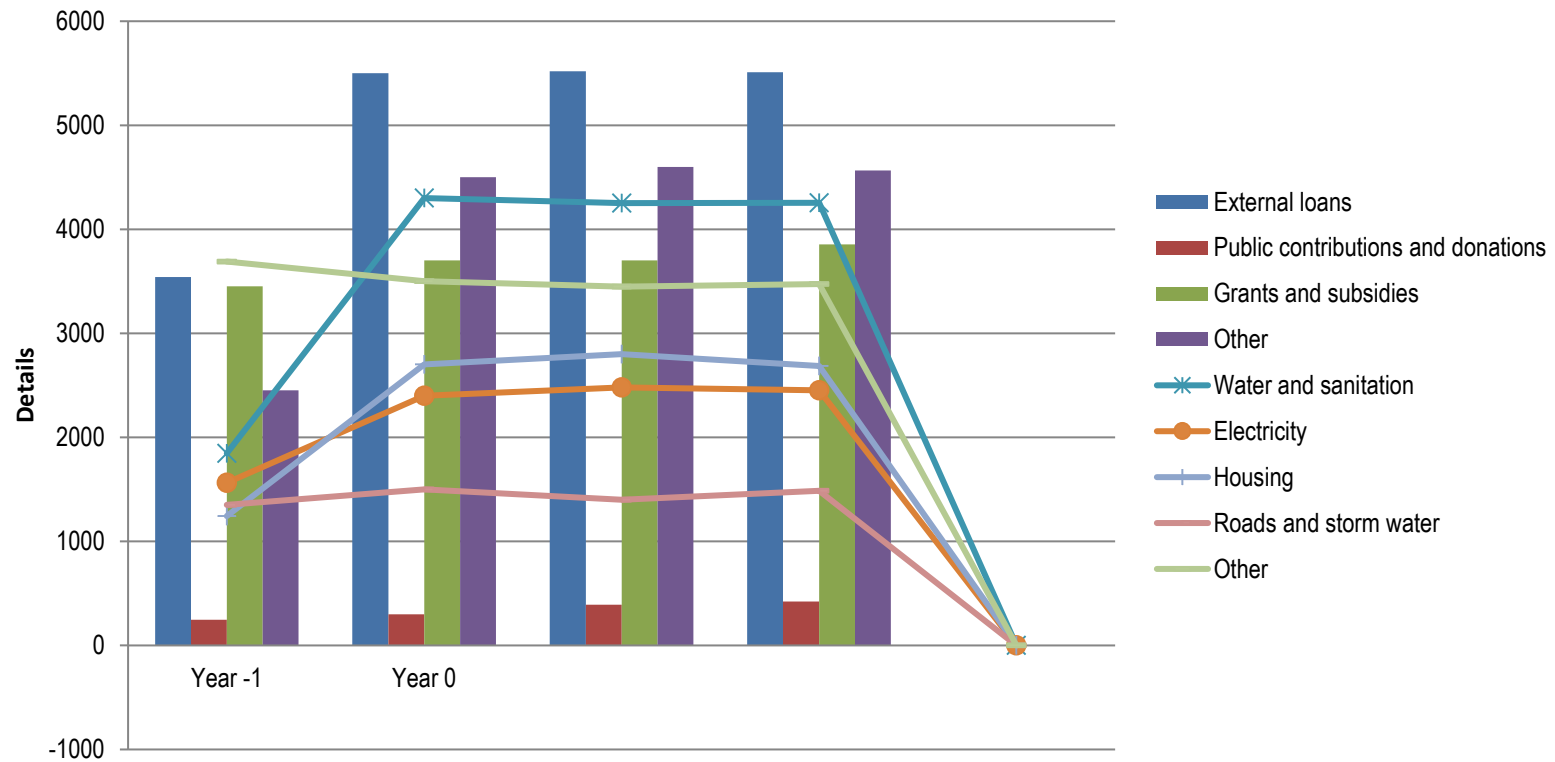
## 5.5 CAPITAL EXPENDITURE

### 5.6.1 CAPITAL EXPENDITURE

Capital Expenditure - Funding Sources: Year -1 to Year 0							
R' 000							
Details		Year -1	Year 0				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>							
	External loans	3542	5500	5520	5511	0.36%	0.20%
	Public contributions and donations	248	300	390	421	30.00%	40.33%
	Grants and subsidies	3451	3700	3700	3856	0.00%	4.22%
	Other	2451	4500	4600	4565	2.22%	1.44%
<b>Total</b>		<b>9692</b>	<b>14000</b>	<b>14210</b>	<b>14353</b>	<b>32.59%</b>	<b>46.19%</b>
<i>Percentage of finance</i>							
	External loans	36.5%	39.3%	38.8%	38.4%	1.1%	0.4%
	Public contributions and donations	2.6%	2.1%	2.7%	2.9%	92.1%	87.3%
	Grants and subsidies	35.6%	26.4%	26.0%	26.9%	0.0%	9.1%
	Other	25.3%	32.1%	32.4%	31.8%	6.8%	3.1%
<b>Capital expenditure</b>							
	Water and sanitation	1845	4300	4250	4256	-1.16%	-1.02%

Capital Expenditure - Funding Sources: Year -1 to Year 0							
							R' 000
Details		Year - 1	Year 0				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
	Electricity	1562	2400	2480	2453	3.33%	2.21%
	Housing	1243	2700	2800	2685	3.70%	-0.56%
	Roads and storm water	1352	1500	1400	1486	-6.67%	-0.93%
	Other	3690	3500	3450	3473	-1.43%	-0.77%
<b>Total</b>		<b>9692</b>	<b>14400</b>	<b>14380</b>	<b>14353</b>	<b>-2.22%</b>	<b>-1.08%</b>
<i>Percentage of expenditure</i>							
	Water and sanitation	19.0%	29.9%	29.6%	29.7%	52.4%	95.2%
	Electricity	16.1%	16.7%	17.2%	17.1%	-150.1%	-205.4%
	Housing	12.8%	18.8%	19.5%	18.7%	-166.8%	51.7%
	Roads and storm water	13.9%	10.4%	9.7%	10.4%	300.2%	86.8%
	Other	38.1%	24.3%	24.0%	24.2%	64.3%	71.7%
							<i>T 5.6.1</i>

## Source of Finance and Capital Expenditure





Municipal Infrastructure Grant (MIG)* Expenditure Year 0 on Service backlogs						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
<b>Infrastructure - Road transport</b>				%	%	
<i>Roads, Pavements &amp; Bridges</i>	20470	15847	13941	-0.47	-0.14	
<i>Storm water</i>				%	%	
<b>Infrastructure - Electricity</b>				%	%	
<i>Generation</i>				%	%	
<i>Transmission &amp; Reticulation</i>				%	%	
<i>Street Lighting</i>				%	%	
<b>Infrastructure - Water</b>				%	%	
<i>Dams &amp; Reservoirs</i>				%	%	
<i>Water purification</i>				%	%	
<i>Reticulation</i>				%	%	
<b>Infrastructure - Sanitation</b>				%	%	
<i>Reticulation</i>				%	%	
<i>Sewerage purification</i>				%	%	
<b>Infrastructure - Other</b>				%	%	
<i>Waste Management</i>				%	%	
<i>Gas</i>				%	%	
<b>Other Specify:</b>				%	%	
Sportfield	5468	10090	8895	0.39	-0.13	
				%	%	
				%	%	
<b>Total</b>				%	%	

Municipal Infrastructure Grant (MIG)* Expenditure Year 0 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
<i>* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						
						T 5.8.3

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
UPGRADE OF SEWER PUMP STATION LESEDI	15 000 000	15 000 000	13 689 050	9%	0%
REPLACEMENT OF ASBESTOES	10 000 000	10 000 000	10 154 450	-2%	0%
ROADS RESEALING IN HEILDELBURG	5 000 000	5 000 000	5 012 764	0%	0%
JAMESON PARK SUBSTATION	3 800 000	3 800 000	3 695 134	3%	0%
IMPUMELELO OFFICES	1 500 000	1 500 000	1 586 588	-6%	0%
* Projects with the highest capital expenditure in Year 0					
<b>Name of Project - A</b>	<b>UPGRADE OF SEWER PUMP STATION IN LESEDI</b>				
Objective of Project	Access to proper water system				
Delays	No delays				
Future Challenges	No future challenges to be experienced in the future				
Anticipated citizen benefits	Community will be benefiting from the project				
<b>Name of Project - B</b>	<b>REPLACEMENT OF ASBESTOS PIPES LESEDI P2</b>				
Objective of Project	Access to proper Sanitation				
Delays	No delays				
Future Challenges	No future challenges to be experienced in the future				
Anticipated citizen benefits	Community will be benefiting from the project				
<b>Name of Project - C</b>	<b>ROADS RESEALING IN HEIDELBERG AREA</b>				
Objective of Project	Access to proper Roads and Stormwater				
Delays	No delays				
Future Challenges	No future challenges to be experienced in the future				
Anticipated citizen benefits	Community will be benefiting from the project				
<b>Name of Project - D</b>	<b>JAMESON PARK SUBSTATION</b>				

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Objective of Project	Upgrading of the Jameson Park Substation				
Delays	No delays				
Future Challenges	No future challenges to be experinced in the future				
Anticipated citizen benefits	Community will be benefiting from the project				
Name of Project - E	IMPUMELELO OFFICES				
Objective of Project	Reinstating of the Burned Building				
Delays	No delays				
Future Challenges	No future challenges to be experinced in the future				
Anticipated citizen benefits	Community will be benefiting from the project				
T 5.7.1					

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Large amounts of infrastructure investments are required over the short to medium term (1 to 10 years) to address the basic services backlogs. Critical bulk water, sanitation and electricity infrastructure are needed for key economic developments and mega housing projects. Roads and stormwater backlogs resulting from prior housing developments which were implemented without these services also needs to be addressed in the short to medium term period.

Maintenance backlogs are being addressed through the operational budget even though not enough due to insufficient allocation. As collection rate is improving more funds will have to be dedicated to address the accumulated backlogs through maintenance and refurbishment. A dedicated form of funding will have to be sourced to fast-track the eradication of the accumulated maintenance backlogs

Service Backlogs as at 30 June Year 0				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	36577	94	2716	6
Sanitation	36026	92	3267	8
Electricity	36577	94	2716	6
Waste management	34184	87	5109	13
Housing		%		%
% HHs are the service above/below minimum standards as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				
T 5.8.2				

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality realised an increased cash flows from operating activities of R33.9 million during the current financial year compared to R30.2 million in the prior year. A net cash outflow of R59.9 million for the current financial year (R34.5 million for 16/17) was also realized from investing activities with most of it being directed towards the purchase of property, plant and equipment. A net cash outflow of R3.6 for the current financial year (R3.3 million for 16/17) was realized from financing activities. Cash and cash equivalent has a positive cash position of the municipality amounting to R47.3 million (R11.3 million for 16/17) as at 30 June 2018.

This indicates that although financial sustainability was a risk, it is not at an unacceptable level whereby the municipality would be unable to continue as a going concern

## 5.9 CASH FLOW TO START HERE

Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	491 436	514 256	483 478	432 307
Government - operating	140 937	131 122	138 422	120 354
Government - capital	53 157	76 565	72 923	72 004
Interest	26 041	8 942	13 981	31 562
Dividends	–	–	–	–
<b>Payments</b>				
Suppliers and employees	(600 749)	(630 942)	(634 836)	(589 004)
Finance charges	(5 341)	(9 711)	(9 692)	(4 897)
Transfers and Grants	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>105 481</b>	<b>90 232</b>	<b>64 275</b>	<b>62 326</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	–	–	–	0
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
<b>Payments</b>				
Capital assets	(65 818)	(90 468)	(95 270)	(64 241)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(65 818)</b>	<b>(90 468)</b>	<b>(95 270)</b>	<b>(64 241)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				

Cash Flow Outcomes					R'000
Description	Year -1	Current: Year 0			
	Audited Outcome	Original Budget	Adjusted Budget	Actual	
Short term loans	–	–	–	–	
Borrowing long term/refinancing	–	–	–	–	
Increase (decrease) in consumer deposits	–	–	–	–	
<b>Payments</b>					
Repayment of borrowing	(3 672)	(4 010)	(4 010)	(4 010)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 672)</b>	<b>(4 010)</b>	<b>(4 010)</b>	<b>(4 010)</b>	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>35 992</b>	<b>(4 246)</b>	<b>(35 006)</b>	<b>(5 925)</b>	
Cash/cash equivalents at the year begin:	11 315	9 027	47 307	47 307	
Cash/cash equivalents at the year end:	47 307	4 781	12 301	41 382	
Source: MBRR A7					T 5.9.1



## 5.10 BORROWING AND INVESTMENTS

Actual Borrowings: Year -2 to Year 0			
	R' 000		
Instrument	Year -2	Year -1	Year 0
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	54966	50955	46598
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	54 966	50 955	46 598
<b>Entities Total</b>	0	0	0
T 5.10.2			

The municipality only borrowed funds from the Development Bank of South Africa and this are loans that were concluded in previous financial years.

No new borrowing facilities were concluded during the financial year. Investments were made with various banking institutions based on a favourable interest rate and they are largely driven by the conditional grant funding where funds are only withdrawn when certain conditions of the grant are met

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

The annual financial statements and annual report (inclusive of the performance report) will be submitted to the Auditor-General of South Africa (AGSA) on 31 August 2018. The AGSA commenced with the annual audit during August 2018 and will be completed the audit in November 2018. The management and audit reports will be issued at an event that will be organized by the AGSA and will be attended by our Executive Mayor, the Acting Municipal Manager and Chief Financial Officer in the 1<sup>st</sup> week of December 2018.

### **AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year -1**

#### **6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)**

**The municipality had an unqualified opinion with other matters from the Auditor-General of South Africa.**

Auditor-General Report on Service Delivery Performance: Year -1	
<b>Status of audit report**:</b>	Qualified opinion on audit of performance information.
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Non-compliance with municipal performance regulations	Development of standard operating procedures to address short comings in the municipalities performance management system
T 6.1.2	

## AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 0

Auditor-General Report on Financial Performance Year 0*	
<b>Status of audit report:</b>	Unqualified audit opinion
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Non compliance with section 122	Review of financial statements, regular training of officials who prepare AFS on GRAP requirements and caseware training
Non compliance with supplychain regulations	Consequence management for all officials who transgress SCM requirements.
<i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</i>	
T 6.2.1	

**COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES**

**Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.**

**Signed (Chief Financial Officer).....Dated**

### 6.3 ACTION PLANS TO ADDRESS AG FINDINGS

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Reported in previous year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
1	Differences between the annual performance report and supporting schedules.	MFMA S62(1)(c)(ii):	reported achievements in the annual performance report results submitted for audit do not agree to the supporting schedules.	PMS	MM	Management agrees with the finding	Yes	Andrew Matchitje	31/03/2020	Review of APR before submitting for audit
2	Errors identified in the high level review of the annual performance report.	MFMA S62(1)(c)(ii):	Target was reported in number format and results obtained was reported in percentage format.	PMS	MM	Management agrees with the finding	Yes	Andrew Matchitje	31/07/2020	Review of APR before submitting for audit

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
3	. Indicator not well-defined.	<b>Framework of Managing Programme Performance Information (FMPPI):</b>	it was noted that the indicator is not well defined. The technical description/measure which informs the portfolio of evidence does not support the indicator. There are no clear processes and systems are in place for the collection, processing and reporting of this performance indicator. The performance indicator is not defined so that data will be collected consistently	PMS	MM	Management agrees with the finding	Yes	Andrew Matchitje	31/07/2020	Review of APR before submitting for audit
4	<b>4. Scope limitation: Jameson Park.</b>	<b>Public Audit Act 25 of 2004, Chap3, Sec15</b>	During the audit of Lesedi Local Municipality we did not receive the report to support the reported achievement on % completion of 0,862km of roads and storm water upgrades at Jameson Park (Cumulative) requested on RFI 43 issued on 24 <sup>th</sup> October 2019.	PMS	MM/IS	Management does not agree with the finding	Yes	Star Moholobela	N/A	N/A

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
5	Limitation of scope on reliability	Framework of Managing Programme Performance Information: Chapter 3.2	During the audit of performance information, AG requested information (RFI 43 issued on 24 <sup>th</sup> October 2019) to test the reliability of the indicator below. No information was submitted for auditing purposes.	PMS	MM/IS	Management does not agree with the finding	Yes	Star Moholobela	31/03/20 20	POE files with evidence will be reviewed and updated quarterly.
6	Limitation of scope – Supporting documentatio n not provided.	<b>Public Audit Act 25 of 2004, Chapter 3, Section 15</b>	While auditing the % <b>completion on construction of sports field in Rensburg extension 4</b> indicator reported achievement of 100%, it was noted that the project is not actually complete. We inspected a practical completion certificate which had a list of items that still need to be done on the project. This was further confirmed through physical verification of the Sports field. We further requested a progress report as at 30 June 2019 and it was			Management agrees to the finding, however: A practical completion certificate with a snag list was kept on the POE file, thus the 100% indicated on the APR is a typing error, Resealing of roads project was completed months before the 30/06/2019 and AG representatives had a discussion with the Project Manager in this regard, furthermore the progress report for the resealing of	Yes	Star Moholobela	31/03/20 20	POE files with evidence will be reviewed and updated quarterly. An electronic system will also be introduced which will enable HOD's to update performance information on a quarterly basis.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			not submitted for audit. Therefore, we could not audit the Sports field any further.			roads project was also forwarded to the AG				
7	Difference between the age analysis and financial statements	MFMA S62(1)(c)(ii):	During the audit of Lesedi Local Municipality, we noted a difference between the amount recognised as consumer debtors in the annual financial statements and the supporting schedule. The age analysis does not agree to the trial balance and the amount in the financial statements for consumer debtors.	Compliance	Finance	Management agrees to the finding.	Yes	Gugu Mncube	31/03/2020	Monthly and quarterly reconciliations will be performed between the GL and the debtors age analysis



Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
8	Difference between the valuation roll and financial statements.	MFMA S62(1)(c)(ii):	During the audit of Lesedi Local Municipality, we noted a difference between the amount disclosed as valuation on land and buildings in the annual financial statements as disclosed in note 25 and the supporting schedule (valuation roll).	Compliance	Finance	Management agrees, the necessary adjustments were made to AFS	No	Sindi Boyi	31/03/2020	Quarterly reconciliations will be done between the land register and the valuation roll.
9	Contingent liabilities: Prior year comparative amounts in the current year financial statements do not agree to the prior year audited financial statements.	MFMA S62(1)(c)(i):	During the audit of Lesedi Local Municipality we have noted the prior year comparative amount disclosed in the current year financial statements is different to the amount in the prior year audited financial statements in the disclose note for contingent liabilities	Compliance	Corporate Services	Management agrees, the necessary adjustments were made to AFS	No	Vusi Ngcobo	31/03/2020	Claims against the municipality register will be kept and updated accordingly. And presented to SMT on a quarterly basis.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
10	<b>Contingent Liability not recognised in the 2018/2019 financial year</b>	<b>GRAP 19 – Contingent Liability</b>	During the audit of contingent liability, we requested summons and supporting documents to assess whether the Municipality still has a contingent liability and to assess the outcome of the dispute. The list of contingencies was retrieved from last years audited financial statements, during the inspection of the summons it was confirmed that some cases were still an on-going litigation claim and was not included in the current financial years Annual Financial Statement disclosure note "Contingent Liability"	Compliance	Corporate Services	Finding no 1: Management disagrees with the finding as the matter between the municipality and Dyosi Ludidi & Associates cc has been resolved. Information regarding this case has been submitted to AG. Finding no 2. Management agrees with the finding. Adjustments will be done in the AFSs (R16 million)	No	Vusi Ngcobo	31/03/2020	Claims against the municipality register will be kept and updated accordingly. And presented to SMT on a quarterly basis.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
11	Commitments disclosed for expired contracts.	GRAP 1 paragraph 17:	During the audit of commitments, we noted contracted have been disclosed as commitments in the current year, however, the contracts expired during the year.	Compliance	SCM	Managem ent agrees with the finding, necessary adjustments were made to the AFS. Going forward all expired (but incomplete ) contracts will be extended accordingly. Tender processes will be put in place where contracts are expired.	Yes	Gugu Mncube	31/03/2020	Going forward all expired (but incomplete ) contracts will be extended accordingly. Tender processes will be put in place where contracts are expired.
12	Awards made to suppliers employed by the state.	<i>Municipal Supply Chain Regulation GNR 868, section 44:</i>	During the audit of Lesedi Local Municipality for the 2018/19 financial year, we identified that awards were given to suppliers whose owners/directors are state employees. As per declaration of interest submitted by the suppliers and the report from the central supplier database, the suppliers did not declare this information in their submissions. This is in contravention of	Compliance	SCM	Managem ent somewhat agrees with the finding however we placed reliance on the declaration of interest form and the CSD reports to determine whether a service provider is in the employment of the state or not. In this case, there was no indication that the directors of the mentioned companies are in the service	Yes	Gugu Mncube	31/03/2020	The acquisition of an effective system that will detect service providers with employees in the service of the state.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			the supply chain management regulation and results in irregular expenditure. Details of the supplier are stated below.			of the state. Management disagrees with the amount reported as irregularly paid to the 3 service providers have also attached payment reports of exactly how much was paid to the above-mentioned service providers.				
13	Bid adjudication committee member is also a member of the bid evaluation committee.	SCM Regulation 29(4): <i>Bid adjudication committees:</i>	During the audit of Lesedi Local Municipality, it was noted that through the competitive bidding process, one member of the evaluation committee also sat as a member of the Bid Adjudication Meeting for the same bid. This is in contravention of the Supply Chain Management Regulation as well as the supply chain management policy for the	Compliance	SCM	Managem ent agrees to the audit finding	No	Gugu Mncube	31/03/20 20	No BEC member will sit in BAC meetings. If the SCM manager is not available, an SCM official who did not sit in the BEC will be allowed to represent SCM during BAC meetings

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			Lesedi Local Municipality.							
14	14. Goods and services were supplied and paid for on an expired contract.	MFMA 56 of 2003 Chap.08 Par. 62	a. Goods and services were supplied and paid for on an expired contract	Compliance	SCM	Managem ent agrees that payments were made after the date of contract expiring due to unrest and instability experienced around the time of appointment of some of the projects which led to delays in completing the projects. However the following companies were given formal extension letters which we have provided the supporting documentation: TMT, ARMS, NERM	Yes	Gugu Mncube	31/03/20 20	SCM unit to check all invoices before they are processed for payment to ensure that the municipality is paying for valid contracts

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
15	15. Consumer debtors balance includes receivables from exchange transactions and receivables from non-exchange transactions.	MFMA S62:	During the audit of Lesedi Local Municipality, we noted the municipality did not disclose an aging and impairment for financial assets disclosed in 9 and 10 of the annual financial statements as required by GRAP 104 paragraph 129 (a) and (b).	Compliance	Budget and reporting	Management agrees to the finding and the necessary adjustments were made to the AFS.	No	Gugu Mncube	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.
16	16. Investment property disposal incorrectly classified as a transfer.	MFMA S62:	During the audit of Property Plant and Equipment we have noted that investment property derecognised during the year was classified as a transfer on the annual financial statements. The municipality lost control of the property as per the definition of an asset according to GRAP as the property was stolen. This is not a transfer but a disposal	Compliance	Asset Management	Management agrees to the finding and the necessary adjustments were made to the AFS.	No	Gugu Mncube	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			and should be disclosed as such in the financial statements.							
17	Difference between the disclosed cashbook amount and the general ledger.	MFMA S62:	We have found that there were inconsistencies between the note disclosure on the annual financial statements and the general ledger (GL). The amount disclosed (Note 12) in the financial statements as per the cashbook is R39 731 628 whereas the amount per the general ledger is R41 631 145.	Compliance	Budget and reporting	Management agrees to the finding and the necessary adjustments were made to the AFS.	No	Gugu Mncube	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Reported in previous year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
18	18. Internal control deficiency identified in the bank reconciliation process.	MFMA S62:	During the audit of Lesedi Local Municipality, we found that there was no evidence to confirm that the ABSA call/investment accounts (account number 40-7680-2751) bank reconciliations are reviewed by a delegated official, for the month of June 2019.	Compliance	Expenditure Management	The management disagrees with the finding as the call accounts are not linked to the municipal cashbook. Monthly Bank reconciliations are performed between the cash book and the municipal ABSA current account which is linked to the cashbook and we transact from.	No	Gugu Mncube	31/03/2020	None
19	Change in accounting estimates for property, plant and equipment not disclosed in the financial statements	GRAP 17 paragraph 56: GRAP 3 paragraph 41 and 42:	During the audit of property, plant and equipment we have noted that management has revised the useful lives of assets of some assets in the register, however the changes in the accounting estimates were not disclosed in the annual financial statements.	Compliance	Asset Management	Management agrees to the finding and the necessary adjustments were made to the AFS.	No	Gugu Mncube	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.



Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
20	Work in progress disclosure does not comply with the GRAP requirements	MFMA S62:	During the audit of property, plant and equipment we have noted that work in progress is not disclosed per class of assets. Furthermore, we identified projects which were taking longer than intended by management to complete/halted however reasons were not disclosed in the notes to the financial statements neither were impairment assessments performed.	Compliance	Asset Management	Management agrees to the finding and the necessary adjustments were made to the AFS.	No	Gugu Mncube	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.
21	Amount capitalised in work in progress not supported by evidence	GRAP 17 paragraph 07 and 10:	During the audit of property plant and equipment, we noted that an amount of R1 492 653.32 for the construction of Roads and Stormwater in Obed Nkosi which was included in the cost of the project capitalised as work-in-progress.  There is no evidence to	Compliance	Infrastructure	Management agrees to the finding and the necessary adjustments were made to the AFS.	No	Star Moholobela	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			support that actual costs were incurred for the amount to be capitalised.							
22	Property illegally transferred without council approval.	MFMA S63 (1) (a):	During the audit we have noted that there has been instances of properties that have been illegally transferred from the municipality to individuals and trusts. These properties were sold without the approval of council. This resulted in the disposal in the financial statements of investment property with a cost R512 217. The municipality is currently engaged in a legal process to reverse the transfers.	Compliance	Asset Management/LED/MM	Management agrees to the finding	No	MM/LED/Finance	31/03/2020	Legal processes are underway to retrieve land that was illegally transferred.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
23	23. Assets disposed without council approval	MFMA S14 (2) (a):	During the audit of the prior period note, we have noted that assets were derecognised in the annual financial statements as disclosed in note 44 without approval by council.	Compliance	Asset Management	Management agrees to the finding	No	Gugu Mncube	31/03/2020	Monthly asset reconciliations to be performed in order to avoid this audit finding.
24	Accounting policy of assets in the financial statements does not agree to Asset Management Policy.	MFMA S62 (1) (b):	During the review of the accounting policy for assets we have noted that it does not agree to the asset management policy. The useful lives detailed as per the accounting policy in the financial statement does not agree to asset management policy.	Compliance	Asset management	Management agrees to the finding	No	Gugu Mncube	31/03/2020	
25	<b>Differences noted in the amounts recognised for the provision for landfill site.</b>	MFMA S62 (1)(c)(i):	We have noted during the testing of the environmental rehabilitation provision, differences on the amounts recognised in the financial statements as calculated by the management expert	Compliance	Infrastructure	Management agrees to the finding and the necessary adjustments were made to the AFS.	No	Star Moholobela	31/03/2020	All information submitted for the preparation of the AFS will be reviewed by an external independent specialist before submitting for audit

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			(Khabokedi Waste Management) and our calculations. The difference was noted in the finance cost for the year and the balance of the provision as at year end. The interest and the balance were not recognised as per the requirements of GRAP 3 that states that all changes in assets or net assets as a result of a change in estimate should be recognised in current and future periods.							
26	<b>Provision for 13th cheque does not meet GRAP requirements for a provision.</b>	MFMA S62 (1)(c)(i):	We have noted that the municipality only pays out the 13th Cheque bonus in full once the employee has been in the employ of the Municipality for a cycle of 12 full months from month of employment every year. Furthermore, the Municipality will only pay the	Compliance	Expenditure Management	Management agrees to the finding and the necessary adjustments were made to the AFS.	No	Gugu Mncube	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Reported in previous year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			amount equivalent to the months in service of the municipality should an employee leave in the middle of the 12 months' period. Thus, the obligating event is the services rendered by the employees. We assessed that the 13th Cheque provision recognised in the annual financial statements does not meet the definition and recognition criteria of a provision. The municipality does not, as at 30 June 2019 have unconditional liability to settle the full 12 months' worth of 13th cheque bonus to employees who have not completed 12 months from the month of employment because they did not render their services for the remaining months.							

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
27	Expenditure for grants recorded as revenue in the incorrect accounting period.	MFMA S62 (1)(c)(i):	During the audit of Lesedi Local Municipality, it was noted that invoices for expenditure that was incurred in the previous financial period was incorrectly accounted as grants revenue in the current financial period. The conditions for the grant to be recognised as revenue were met in the previous financial year and not in the current year as per the accrual basis of accounting.	Compliance	Budget and reporting	Management agrees to the finding and the necessary adjustments were made to the AFS.	No	Gugu Mncube	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.
28	Amount recognised as revenue does not agree to supporting documentation .	MFMA S62 (1)(c)(i):	During the audit of Lesedi Local Municipality, we noted a difference between the amount recognised as grants revenue in the general ledger and the evidence provided.	Compliance	Budget and reporting	Management agrees to the finding and the necessary adjustments were made to the AFS.	No	Gugu Mncube	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
29	Revenue from insurance recoveries incomplete.	MFMA S62 (1)(c)(i):	During the audit of Lesedi Local Municipality, it was noted that there is a difference between insurance recoveries recorded in the general ledger and those recorded in the recoveries register. Management only recognises insurance recoveries as revenue from recoveries upon receipt of cash (cash basis) from the insurance company.	Compliance	Asset Management	Management agrees to the finding and the necessary adjustments were made to the AFS.	No	Gugu Mncube	31/03/2020	Recoveries register will be reviewed quarterly and checked against the list of claims, this register will be submitted to SMT on a quarterly basis and will be used in the compilation of AFS.
30	Limitation of scope – Rental income	MFMA S62 (1)(c)(i):	During the performance of audit procedures on rental revenue, we requested rental agreements on request for information (RFI) 24 issued on 09th October 2019 for a sample of transactions and they were not provided. We also identified agreements that have expired and rental	Compliance	Community services/LED	Management agrees to the finding	No	Thami Gorati/Corrie Vester	31/03/2020	Rental register will be reviewed and where applicable new rental contracts will be issued where leases have expired.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			agreements that were not signed by the lessee.							
31	Differences between the annual performance report and supporting schedules	MFMA S62 (1)(c)(i):	We noted that some reported achievements in the annual performance report results submitted for audit do not agree to the supporting schedules	Compliance	PMS	Management agrees to the finding	Yes	Andrew Matchitje	31/03/2020	POE files with evidence will be reviewed and updated quarterly. An electronic system will also be introduced which will enable HOD's to update performance information on a quarterly basis.
32	Reported achievement for an indicator does not agree to the portfolio of evidence.	MFMA S62 (1)(c)(i):	While testing completeness for the indicator "number of community safety campaigns conducted", we noted one campaign (Mountainview Secondary School search and safety awareness) conducted during the year was not included in the listing for the indicator which resulted in the misstatement in the annual performance plan. b) We noted that the reported achievements in	Compliance	PMS	Management agrees to the finding	Yes	Andrew Matchitje	31/03/2020	



Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			the annual performance report submitted for audit do not agree to the supporting schedule for the indicator							
33	<b>33. Risk management procedures not covered in performance management systems.</b>	<i>Framework for Managing Programme Performance Information, Chapter 3 paragraph 3.1 and Chapter 4, step 2 and 6</i>	During the audit of Lesedi Local Municipality, it was noted that the municipality's Performance Management Framework doesn't include risk management procedures for risk identification, risk analysis and risk management to ensure performance is measured and achieved as well quality of reporting the performance information.	Compliance	PMS	Management disagree with the finding. The LLM has the risk management policy and Strategy which outlines all the process in risk management and these documents are aligned with the PMS framework. Furthermore, risk management is also measured through the SDBIP and comprises of two KPIs per department.	Yes	Andrew Matchitje	31/03/2020	N/A

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Reported in previous year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
34	Misstatement identified in the annual performance report.	MFMA S62 (1)(c)(i):	<p>1. During the audit of performance information, it was noted that the indicator, % of water distribution losses that was reported on the APR was different from what was on the supporting evidence (IWA Water balances report) submitted for audit.</p> <p>2. During the audit of performance information, it was noted that the indicator under basic service delivery was reported as 54% for the actual performance in the APR. According to the progress report submitted for auditing purposes, the overall progress was 58.47% as at 30 June 2019.</p> <p>3. During the audit of performance information, it was noted that the indicator Replacement of</p>	Compliance	PMS	Management agrees to the finding	Yes	Andrew Matchitje	31/03/2020	POE files with evidence will be reviewed and updated quarterly. An electronic system will also be introduced which will enable HOD's to update performance information on a quarterly basis.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			3,6km of water pipes, under basic service delivery, was reported as complete. A practical completion certificate from MK Cassidy was submitted for audit, which has an addendum of things that will be completed in the 19/20 financial year. Also inspected a final completion certificate which was dated August 2019. Therefore, the indicator was not achieved as at 30 June 2019..							
35	. Overall presentation of the performance information in the annual performance report is not comparable and understandable	<i>Framework for Managing Programme Performance Information (FMPPI</i>	We noted that the Service Delivery Budget Implementation Plan (SDBIP) is presented per programme, e.g. B. Basic Service Delivery – then all the indicators that relate to this programme will be presented under it. However, for the Annual Performance Report, performance on	Compliance	PMS	Management disagree with the finding. The APR is directly linked to the SDBIP and in both document the indicators are derived from Key Performance Areas and not the Departments, as the finding suggests. There is no way that	Yes	Andrew Matchitje	31/03/2020	N/A

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			indications is presented per Department (i.e. Municipal Manager, Finance, etc.). This is inconsistent with the presentation in the SDBIP.			indicators can be derived from departments.				
36	Performance management policy not reviewed annually.	MFMA S62 (1)(c)(i):	During the audit of Lesedi Local Municipality (LLM), it was noted that the performance management policy was last reviewed in the 2016/17 financial year however, the LLM policy indicates that the policy should be reviewed on an annual basis. The policy that is currently being applied might not be consistent with the updates that might have occurred in the legislation, prevailing resolutions or market conditions.	Compliance	PMS	Management agrees to the finding	Yes	Andrew Matchitje	31/03/2020	We will start a process of reviewing the PMS policy completely to accommodate the process of cascading of PMS to levels lower than Section 56/57 employees. The Draft Policy is available in this regard and will be tabled before council.

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Reported in previous year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
37	Non-compliance with MFMA SCM regulation 32	<i>Requirement</i> <i>GNR 868 of 30 May 2005: Supply Chain Management Regulations 32(1)(a)-(b):</i>	<p>We noted the following during the audit of contract for the provision of security services:</p> <p>(a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state.</p> <p>The municipality participated in the contract awarded by Makhudthamaga for an amount of R48 243 826,85 in addition to the original amount contracted by Makhuduthamaga of R49 807 373.</p> <p>The arrangement was found to be contrary to the requirements of regulation 32 which requires that both parties must share in the amount originally contracted of R49 807 373, as clarified in the circular 97 issued by the national</p>	Compliance	SCM	Management disagrees to the finding as regulation 32 requirements were fully met proof was submitted to the AG. AG raised some findings based on circular issued in July 2019 regulation 32 appointment was made in May 2019.	No	Gugu Mncube	31/03/2020	None as AG had agreed to remove the finding.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			<p>treasury.</p> <p>(b) the municipality or entity has no reason to believe that such contract was not validly procured</p> <p>In terms of the requirements of the regulation 32, the onus rests with the municipality that wants to procure goods or services under a contract secured by another organ of the state, to ensure that the other organ of the state has followed due process in terms of compliance with the MFMA, the Municipal SCM Regulations of 2005, the PPPF Act and the PP Regulations to award the contract to the service provider.</p> <p>Contrary to the above, we noted the following non-compliance in the procurement of security services</p>							

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Reported in previous year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			<p>by Makhuduthamag a local municipality:</p> <ul style="list-style-type: none"> <li>• The winning bidder did not submit proof of public liability insurance and ICASA license in the name of the company.</li> <li>• The CSD compliance report requested by AGSA on CSD stated that the bidder was not tax compliant from 05 January 2019, the tax status of the supplier changed to a tax compliant status on 21 March 2019, which was after the date of appointment.</li> <li>• We noted that there was no evidence that the municipality confirmed the tax status of the winning bidder at the time of award.</li> </ul>							

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
38	Three quotations not obtained and reasons not provided.	<i>GNR 868 of 30 May 2005: Municipal Supply Chain Management regulation 17</i>	During the audit of Lesedi Local Municipality for the 2018/19 financial year, it was noted that awards were given to suppliers without obtaining at least three quotations. Furthermore, reasons detailing the impracticability of obtaining at least 3 quotations were not recorded and approved by the chief financial officer. This, therefore is in contravention of the supply chain management regulation and results in irregular expenditure	Compliance	SCM	Management disagrees with the finding as these were 7 day adverts and in some instances less than 3 bidders responded.	No	Gugu Mncube	31/03/2020	In all instances of quotations and 7 day advert quotations where less than 3 quotes are received, the procurement process will be treaded as a deviation and recorded as such



Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
39	Declaration of interest not submitted	<i>GNR 868 Municipal Supply Chain Regulations S13: General preconditions for consideration of written quotations or bids</i>	During the audit of Lesedi Local municipality for the financial year 2018/19, it was noted that one supplier for a quotation did not submit a declaration of interest along with the requested quotation, this is in contravention of Supply Chain Management Regulation 3(c).	Compliance	SCM	Management agrees with the finding that the declaration of interest form was not signed by the service provider, however this transaction was a deviation that occurred before control measures were put in place to ensure that all service providers attach declaration of interest before an order is raised as that is the current implemented standard operating procedure. We inspected the attached CSD report which indicated at the time that none of the directors of PNC are in the service of the State.	No	Gugu Mncube	31/03/20 20	All Deviations will be approved by BAC to ensure that the service provider meets all the requirements before appointment

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
40	The leave management policy is not aligned with the Basic Conditions of Employment Act.	<i>Basic Conditions of Employment Act S25(1): "An employee is entitled to at least four consecutive months' maternity leave."</i>	During the performance of a system walkthrough of Lesedi Local Municipality (LLM) it was noted that the leave management policy currently being applied is not consistent with the updates made to the Basic Conditions of Employment Act (BCEA). Lesedi gives employees three months of maternity leave while the BCEA provides for four months.	Compliance	HR	<p>Management is in disagreement with the finding.</p> <p>Conditions of Service of employees are subject to collective bargaining at SALGBC. The Main Collective Agreement, 2015 states that "An employee shall be entitled to receive three (3) months paid maternity leave or adoption leave with no limit to the number of confinements or adoptions.</p> <p>The Leave Policy is aligned with the Main Collective Agreement which in accordance to the Section 31 and 33A of the Labour Relations Act, 1995 as amended read with Section 71 of the</p>	No	Nerina Ramdolo	31/03/2020	N/A

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Reported in previous year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
						Municipal Systems Act as amended provides that Collective Agreements are binding and enforceable to the parties to the bargaining council, hence its implementation is peremptory to the municipality.				
41	Overtime expenditure of an employee was not recorded in the correct financial period.	MFMA S62 (1) (c) (i):	We have noted that expenditure incurred in the previous financial period was recognised in the current year's financial statements on the day the payment was made. The overtime expenditure was recognised should have been accrued for as an expense in the previous financial year.	Compliance	Expenditure Management	Management agrees with the finding AFS were adjusted accordingly	No	Gugu Mncube	31/03/2020	Monthly overtime report to be reviewed and signed as such, these reports will be used in the calculation of overtime figures in the AFS.

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Reported in previous year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
42	No evidence to prove that appointed employees met the minimum requirements.	<i>Municipal Systems Act S67(1)(a):</i>	During the audit of employee related costs, we noted that there are employees that were appointed without proof that they met the minimum requirements presented in the advert. The minimum requirement in the advert was basic adult/secondary education and there is no evidence provided that the employees listed below possess the required qualifications	Compliance	HR	Management disagrees with the finding: Adverts for Labourers stipulate that the candidate should have some basic adult/secondary education, this is because candidates are required to be able to communicate effectively with other team members and take instructions from supervisors. The position does not require any formal education as it is not compulsory to have formal education. Further to this candidates have not completed Grade 12, most have completed lower grades in secondary school, however, presently there is no school	Yes	Nerina Ramdolo	31/03/2020	N/A

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Reported in previous year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
						leaving certificate for other grades.				
43	No prior approval for employees acting in vacant positions.	MFMA S62 (1) (c) (i):	During the audit of employee related costs, we noted that some employee commenced acting in vacant positions before approval by the authorised official was obtained as per the acting allowance policy.	Compliance	HR	Management agrees with the finding; however, the Acceptance Letter for the Acting Allowance system only came into place after the AG raised a finding in the 2017/18 financial year on acting allowance.	Yes	Nerina Ramdolo	31/03/2020	All acting letters which include acceptance are signed before the employees start acting
44	Operating lease Schedule does not agree to the Annual Financial Statements	MFMA S62 (1) (c) (i):	During the audit of the operating leases, we noted that the supporting schedule submitted for audit did not agree to the amount disclosed under operating lease expenditure in	Compliance	SCM	Management agrees with the finding, a correct schedule was subsequently submitted to the AG for audit	No	Gugu Mncube	31/03/2020	Monthly operating lease schedule will be updated and maintained in order to ensure that accurate records are used in the compilation of the AFS.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			the statement of financial performance.							
45	Inadequate disclosure in the financial statements for operating leases.	MFMA S62 (1) (c) (i):	We have noted that there was no note disclosure for the operating lease in the annual financial statements as required by GRAP 13:42	Compliance	Budget and reporting	Management agrees within the finding AFS were amended accordingly	No	Gugu Mncube	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.
46	Invoices not paid within 30 days	MFMA S99(2)	While auditing expenditure for Lesedi Local Municipality, we noted that invoices listed below were not paid within 30 days as prescribed by MFMA	Compliance	Expenditure Management	Management disagrees with the finding. We start counting the 30 days from the creditor's office stamp date because that is the day the invoice is received by the creditor's office not the invoice date. Therefore, invoices were paid within the stipulated time of 30 days upon being received by the creditor's office.	Yes	Gugu Mncube	31/03/2020	N/A

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
47	Related parties' disclosure not in compliance with GRAP requirements.	<i>GRAP 1 .17 Fair presentation and compliance with Standards of Generally Recognised Accounting Standards</i>	During the audit of related parties, we identified that related parties' disclosure was not disclosed appropriately in note number 43 in annual financial statement and resulted in non-compliance with GRAP framework. GRAP requires that remuneration be disclosed for per person, including councillors, and in aggregate. The municipality has disclosed the council remuneration only in aggregate.	Compliance	Budget and reporting	Management agrees with the finding and AFS were amended accordingly	Yes	Gugu Mncube	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.
48	Commitments Register not prepared on the accrual basis of accounting	<i>GRAP 1 paragraph 31:</i>	During the audit of commitments, it was found that the recognition of commitments is not calculated on the accrual basis of accounting and this resulted in differences between the amount disclosed in the financial statements and our calculations. The commitment amount disclosed	Compliance	Budget and reporting	Management agrees with the finding and AFS were amended accordingly	No	Gugu Mncube	31/03/2020	Interim AFS will be prepared and reviewed in order to minimise such errors in the AFS.

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			should exclude the effect of transactions already occurred (recognised as accounts payable) as commitments are disclosed for future transactions that have not occurred.							
49	Internal control deficiencies identified on the hiring of consultants.	MFMA S62	During the audit of Lesedi Local Municipality, we noted control deficiencies for the consultants used by the municipality. Refer to the table below for details:	Compliance	Budget and reporting	: Management agrees with the finding, however it must be noted that these consultants were acquired by the municipality as the municipality does not have the expertise and capacity to perform these specialised functions, e.g. Onepange is a company of actuaries who provide the service of calculating the municipalities employee benefits, i@consulting provides asset management services as the municipality	Yes	Gugu Mncube	31/03/2020	Consultants will be required to submit plans on how they are going to transfer skills to the municipality employees.



Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
						only has one individual in the asset management unit who doesn't have the capacity to complete the asset management tasks same goes for MNB chartered accountants and Khabokedi.				
		<b>IT GOVERNANCE</b>							31/03/2020	
1.1	Information and Communication Technology (ICT) strategy plan was not approved	None	Lesedi Local Municipality had documented the Information and Communication Technology (ICT) strategy in the 2018/2019 financial year. The ICT strategy was meant to provide clear direction to bring value to the organisation in a sustainable way. However, it was noted that the municipality did not approve the	Governance	IT	Management agrees to with the finding	No	Yvonne Ratombo	31/03/2020	Draft IT Strategy plan was updated and aligned to SDBIP in order to give clear direction to ICT and ensure it can bring value to the municipality in a sustainable way and is in the process of being approved by different committees for 2019/2020 financial year

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			ICT strategy in the period under review. In the absence of this strategy, it was not clear how ICT was creating value through the use of ICT.							
2	Service Level Agreement (SLA) with Business Connexions was not in place	None	The Service Level Agreement (SLA) between Lesedi Local Municipality and Business Connection (BCX) was not renewed for the entire period under review. The SLA was approved by Municipal Manager on the 14 June 2017 and the commencement date was from 01 July 2017 until 30 June 2018.	Governance	IT	Management agrees to with the finding	No	Yvonne Ratombo	31/03/2020	There are interim measures in place to appoint BCX in terms of Regulation 36(1)(a)(v) of the MFMA: SCM Regulations read with Paragraph 36(1)(a)(v) of the LLM SCM Policy, for a period of 12 months pending the appointment of a new service provider through an open competitive bidding process.

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Reported in previous year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
3.1	Inadequate disaster recovery plan	None	<p>Section 5.1 on page 10 of the disaster recovery plan (DRP) states that the plan should be tested annually. During the review it was noted that the DRP was not tested for the period under review as prescribed by the plan. In addition, the offsite storage was in close proximity (+/- 2km) to the primary site.</p> <p>Lack of tested DR test could result in prolonged system unavailability should a disaster affect systems. Thus, difficulties may be experienced in restoring systems which support critical business processes causing these systems being</p>	Governance	IT	Management agrees to with the finding	No	Yvonne Ratombo	31/03/2020	budget must be made available for disaster recovery

Contr ol no.	Finding	Requirement	Description	Classificati on	Area	Management Responses	Reporte d in previou s year(s)	Responsible Official(s)	Due date	Key tasks that need to be performed
			down for extensive amounts of time. Such system downtime would affect efficient service delivery.							
	<b>FINALIZED</b>	100%	Resolved							
	<b>Bad - unmanagea ble issues</b>	Below 50%	Has challenges							
	<b>Okay - manageable issues</b>	51% - 75%	In progress							
	<b>Good - going as planned</b>	76% - 99%	On track, to be finalized by the due date.							

# APPENDICES

# APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr MNR Nkosi	FT	Speaker of Council	PR	87%	13%
Cllr LF Maloka	FT	Executive Mayor, Mayoral Committee Chair	PR	84%	16%
Cllr TS Moremi	FT	MMC Legal & Corporate Service	PR	100%	100%
Cllr KM Rakitla	FT	MMC Community Services	PR	78%	22%
Cllr T Motsepe	FT	MMC LED & Planning	PR	94%	6%
Cllr TE Ramothibe	FT	MMC Finance	Ward	57%	43%
Cllr M Motsepe	FT	MMC Infrastructure	Ward	73%	27%
Cll MP Mtshonyane	PT	Section 80: Legal & Corporate/Infrastructure	Ward	100%	100%
Cllr PR Mchunu	PT	Section 80: Community Services	Ward	63%	37%
Cllr E Magazi	PT	Section 80: Lega & Corporate, Infrastruture and Petition (Sec 79)	Ward	89%	11%
Cllr T Gama	PT	Section 80: Finance, Infrastructure, MPAC and Petition (Sec 79)	Ward	94%	6%
Cllr T Mofokeng	PT	Section 80: Community Services, LED&Planning and Petition (Sec 79)	Ward	73%	27%
Cllr Z Twala	PT	Section 80: Finance, Legal & Corporate and MPAC (Sec 79)	Ward	94%	6%
Cllr MA Mulder	PT	Section 80: Finance, Legal & Corporate	Ward	89%	11%
Cllr G Holtzhausen	PT	Section 80: Finance, LED& Planning and MPAC (Sec 79)	Ward	84%	16%
Cllr S Paul	PT	Section 80: Legal & Coorporate and MPAC (Sec 79)	Ward	84%	16%
Cllr S Mnyakeni	PT	MPAC Chairperson (Sec 79)	Ward	100%	100%
Cllr M Lukhele	PT	Petition Committee Chairperson (Sec 79)	Ward	100%	100%
Cllr B Mogorosi	PT	Section 80: Infrastructure, LED&Planning and Petition (Sec 79)	PR	68%	32%
Cllr RS Hlatshwayo	PT	Section 80: Infrastructure, LED&Planning	PR	52%	48%
Cllr Z Abdullah	PT	Section 80: Finance and MPAC (Sec 79)	PR	68%	32%
Cllr M Boshoff	PT	Section 80: All, MPAC and Petition ( Sec 79)	PR	89%	11%
Cllr M Malefela	PT	Section 80: Legal & Corporate	PR	84%	16%

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr LS Gamede	PT	Section 80: LED&Planning and Finance	PR	89%	11%
Cllr T Nyembe	PT	Section 80: Community Services and Petition (Sec 79)	PR	84%	16%
Cllr M Sabasaba (MI Khithika)	PT	Section 80: Finance and MPAC (Sec 79)	PR	68%	32%
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					T A

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance Committee	Financial issues, Council Budget
Economic LED and Planning	Town Planning Promotion Local Economic Development
Infrastructure Committee	Service delivery Maintenance of Infrastructure
Community Service	Community Development Safety and Security Recreational issues Libraries, Sports promotion
MPAC	Oversight of Council Funds
Audit and Performance and Risk Committee	Audit, Performance Risk management of Council



## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure		
Directorate	Title	Director/Manager (State title and name)
Municipal Manager	Acting Municipal Manager	Adv. Gugu Thimane
	Senior Manager Monitoring & Reporting (Acting)	Mr. Andrew Machitje
Executive Mayor	Manager: Internal Audit	Mr. Lizo Ndabeni
	Executive Mayor	Cllr Lerato Maloka
	Manager: Special Programmes	Ms. Julia Melato
	Speaker of Council	Cllr. Mluleki Nkosi
Council	Manager: Public Participation	Mr. Judah Mbele
Corporate Services	Executive Manager Corporate Services	Adv. Gugu Thimane
	CITO (Contract)	Vacant
	Human Resource Manager	Vacant
	Manager Facilities and Maintenance	Mr. Jankie Khumalo
	Manager Administration Support	Mr. Siphso Zwane
Finance	CFO (Acting)	Ms. Gugu Mncube
	Manager Expenditure	Ms. Magda Lawrenson
	Manager SCM	Mr. Paul Malgas
	Manager Asset and Insurance	Vacant
	Manager Management Accounting	Ms. Gugu Mncube
	Manager Revenue	Ms. Sindiswa Boyi
Infrastructure Services	Executive Manager Infrastructure Services (Acting)	Mr. Star Moholobela
	Senior Manager Roads, Stormwater and Public Service	Vacant
	Senior Manager Water, Sanitation and Water Management	Mr. Star Moholobela
	Senior Manager Electrical	Ms. Jacqueline Mbebwe
	Manager: Projects	Mr. Peter Aufmkolk
LED & Planning	Manager: PMU (Acting)	Mr. Motlalepule Sekhoto
	Executive Manager LED & Planning	Mr. Jabu Marwa
	Manager Local Economic Development	Mr. Thami Gorati

	Assistant Manager IDP & Planning	Mr. Andrew Machitjie
	Manager Regional & Town Planning	Vacant
Community Services	Executive Manager Community Services (Acting)	Mr. Corrie Verster
	Manager Health & Social Services	Mr. Corrie Verster
	Manager Traffic & Public Safety	Mr. Meshack Makhubu
	Manager Facilities & Amenities	Mr. Solly Sibaya

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

MUNICIPAL FUNCTIONS	Municipal / Entity Functions	
	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
<b>Air pollution</b>	Yes	n/a
<b>Building regulations</b>	Yes	n/a
<b>Child care facilities</b>	Yes	n/a
<b>Electricity and gas reticulation</b>	Yes	n/a
<b>Firefighting services</b>	Yes	n/a
<b>Local tourism</b>	Yes	n/a
<b>Municipal airports</b>	No	n/a
<b>Municipal planning</b>	Yes	n/a
<b>Municipal health services</b>	Yes	n/a
<b>Municipal public transport</b>	Yes	n/a
<b>Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law</b>	Yes	n/a
<b>Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto</b>	Yes	n/a
<b>Stormwater management systems in built-up areas</b>	Yes	n/a
<b>Trading regulations</b>	Yes	n/a
<b>Water and sanitation services limited to potable water supply systems and</b>	Yes	n/a

<b>MUNICIPAL FUNCTIONS</b>	<b>Municipal / Entity Functions</b>	
	<b>Function Applicable to Municipality (Yes / No)*</b>	<b>Function Applicable to Entity (Yes / No)</b>
<b>domestic waste-water and sewage disposal systems</b>		
<b>Beaches and amusement facilities</b>	No	n/a
<b>Billboards and the display of advertisements in public places</b>	No	n/a
<b>Cemeteries, funeral parlours and crematoria</b>	Yes	n/a
<b>Cleansing</b>	Yes	n/a
<b>Control of public nuisances</b>	Yes	n/a
<b>Control of undertakings that sell liquor to the public</b>	Yes	n/a
<b>Facilities for the accommodation, care and burial of animals</b>	Yes	n/a
<b>Fencing and fences</b>	Yes	n/a
<b>Licensing of dogs</b>	No	n/a
<b>Licensing and control of undertakings that sell food to the public</b>	Yes	n/a
<b>Local amenities</b>	Yes	n/a
<b>Local sport facilities</b>	Yes	n/a
<b>Markets</b>	Yes	n/a
<b>Municipal abattoirs</b>	No	n/a
<b>Municipal parks and recreation</b>	Yes	n/a
<b>Municipal roads</b>	Yes	n/a
<b>Noise pollution</b>	No	n/a
<b>Pounds</b>	No	n/a
<b>Public places</b>	Yes	n/a
<b>Refuse removal, refuse dumps and solid waste disposal</b>	Yes	n/a
<b>Street trading</b>	Yes	n/a
<b>Street lighting</b>	Yes	n/a

MUNICIPAL FUNCTIONS	Municipal / Entity Functions	
	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Traffic and parking	Yes	n/a

## APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1	Cllr M Mtshonyane. Ward Committee members: H. Nyawuza, J. Mnguni, N. Radebe, B. Sobopho, P. Magazi, E. Molefe, T. Mazibuko, T. Ndlovu, V. Mashinini and T. Hlophe	Yes	3	3	3
Ward 2	Cllr PR Mchunu. Ward Committee members: P. Mabena, L. Mbele, G. Mokoena, P. Tsotetsi, L. Nhlapo, V. Dhlamini, M. Tsholanku, T. Mlaba, J. Lekala, M. Sebilane	Yes	5	5	3
Ward 3	Cllr TE Ramothibe. Ward Committee members: N. Mahlangu, B. Nkosi, L. Hlahane, S. Mnguni, L. Mashinini, E. Mbele, D. Mthembu, S. Mazibuko, E. Tsoari, T. Makgale	Yes	7	7	8
Ward 4	Cllr E Magazi. Ward Committee members: F. Dibate, B. Mahlangu, I. Ketsekile, S. Motloaka, M. Molefe, M. Manave, N. Motespe, T. Nhlanhla, M. Motloung, S. Malakoane.	Yes	6	6	3

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Commit tee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 5	Cllr T. Gama. Ward Committee members: S. Mthethwa, L. Nkabinde, M. Nkoko, B. Nkomo, T. M.Makhanya, T. Mofokeng, E. Masilela, J. Mbhele, N. Moloi, J. Nhlapho	Yes	5	5	3
Ward 6	Cllr T Mofokeng, Ward Committee members: V. Sukazi, S. Gxubane, J. Tsotetsi, F. Shabangu, S. Maarman, N. Mohapi, M. Maleke, M. Morontshi, P. Mashinini, D. Mathabela.	Yes	6	6	4
Ward 7	Cllr Z Twala. Ward Committee members: A. Majola, G. Mfene, J. Lushaba, S. Motaung, T. Mazibuko, P. Zulu, N. Cindi, D. Sentoeli, A. Thango, T. Khumalo	Yes	4	3	3
Ward 8	Cllr M. Mulder. Ward Committee members: N. Tsotetsi, S. Kubheka, T. Ndaba, P. Cloete, J. Coetzee, M. Carver, P. Mfene, B. Thenjekwayo, G. Yusuf, N. Dube.	Yes	8	8	1
Ward 9	Cllr G. Holtzhause. Ward Committee members: J. Britt, R. Du Plooy, H. Brits, S. Lemon, W. Venter, E. Du Plessis, W. Boshoff, L. Barnard, M. van Neirop, S. Mchunu.	Yes	6	6	0

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Commit tee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 10	Cllr S. Paul. Ward Committee members: T. Ndlangisa, D. Masombuka, R. Gwayisa, E. Macala, N. Mbatha, P. Nkosi, G. Masoga, J. van Rensburg, C. Erasmus, J. Lottering.	Yes	2	2	0
Ward 11	Cllr M. Motsepe. Ward Committee members: T. Kubheka, T. Mbele, H. Olifant, C. Motaung, S. Manana, M. Tshabalala, M. Kekana, A. Radebe, D. Tshabangu	Yes	4	3	3
Ward 12	Cllr S. Mnyakeni. Ward Committee members: Q. Mkhonto, P.Nhlapho, S. Nkosi, C. Mkhonza, P. Mngwevu, C. Mbonani, M. Mkhonza, J. Mngwevu. D. Mlangeni.	Yes	6	6	5
Ward 13	Cllr M. Lukhele. Ward Committee members: B. Madala, J. Mnguni, B. Motaung, S. Zondo, F. Mobe, T. Mphafudi, B. Makanku, M. Mbonani, P. Nkosi	Yes	8	3	3
					<i>TE</i>





**Lesedi Local Municipality**  
**People Centered & Performance Driven Municipality**

**ANNUAL REPORT OF THE AUDIT COMMITTEE (AC) OF LESEDI LOCAL MUNICIPALITY (LLM) FOR 2018/19 FY  
TO BE PRESENTED IN**

**THE ORDINARY COUNCIL MEETING DATED THE 30<sup>th</sup> JANUARY 2020 IN THE COUNCIL CHAMBER**

**LESEDI LOCAL MUNICIPALITY AUDIT COMMITTEE MEMBERS (with effect from 01<sup>ST</sup> March 2019):**

*Mr. Trevor Boltman - Chairperson*

*Ms. Ayanda Noah – Member*

*Advocate Thembi Bokako - Member*

*Mr. Roelf Loubser - Member*

*Mr. Makhaphule Khosa – Member (resigned on 30/04/2019)*

*Mr. Mzonke Nondwangu – Member (appointed on 31/07/2019)*

**FORMER AUDIT COMMITTEE MEMBERS FROM THE SHARED SERVICES OF SEDIBENG DISTRICT MUNICIPALITY WHO SERVED AT LLM FROM MARCH 2018 TILL 15 JANUARY 2019:**

*Mr. Nkululeko Swana - Chairperson*

*Mr. Sidwell Mofokeng – Deputy Chairperson*

*Ms. Thebi Moja - Member*

*Mr. Brian Kgomo – Member (Resigned 31 July 2018)*

*Ms. Hazel Masedi – Member (Resigned in 09 November 2018)*

## **1. INTRODUCTION**

*The Audit Committee (AC) has pleasure in submitting to the Council its annual Audit Committee Report regarding the responsibilities of the Audit Committee on items received from Management for the year ended 30 June 2019. These responsibilities include:*

- To provide an independent opinion about the internal audit function within the municipality;*

- To provide an independent opinion about the risk management, governance and internal controls within the municipality.

## **2. THE LEGAL FRAMEWORK GOVERNING THE AUDIT COMMITTEE**

- In terms of Section 166(1) of the Local Government: Municipal Finance Management Act number 56 of 2003, MFMA requires each municipality to have an Audit Committee.*
- Reading with Act number 108 of 1996 (The Constitution of the Republic of South Africa, 1996), Chapter 13 (Finance), the Audit Committee as regulated is required to provide Council with a report containing all related activities the Audit Committee has attended to with recommendations advising Council established in terms of Local Government: Municipal Structures Act, 1998 (Act number 117 of 1998) and the Management as appointed by council in terms of section 56 of the Municipal Systems Act, 2000.*
- It needs mentioning that the Audit Committee remains an INDEPENDENT ADVISORY BODY which MUST at all times advise and perform the following roles and responsibilities of the municipal council:*

**2A:** *Advise the Municipal Council, Political Office-Bearers, Accounting Officer and Management of the municipality and its entire staff on matters related to the following:*

- *internal financial control and internal audits;*
- *risk management;*
- *accounting policies;*
- *the adequacy, reliability and accuracy of financial reporting and information;*
- *performance management;*
- *performance evaluation;*
- *effective application of governance;*
- *Full compliance with the annual Division of Revenue Act and any other applicable local government legislation and*
- *Any other issues referred to it by the municipality.*

**2B:** *In addition sections 166(2) (b) (c) (d) and (e) requires from the committee to review the financial statements of Lesedi Local Municipality and provide the Council of the municipality with an authoritative and credible view of the FINANCIAL POSITION, PERFORMANCE, COMPLIANCE, EFFECIENCY and EFFECTIVENESS of the municipality and its overall level of compliance with legislations read in conjunction with the Division of Revenue Act and other related local government legislation:*

- *responding to Council on all matters raised by the Auditor-General South Africa in the Audit Report,*
- *Recommending the carrying out of the investigations into the financial affairs of the municipality as the Council may request,*
- *Performing any of the functions as prescribed or regulated.*

**2C.** *in performing its functions, the Audit Committee has the following roles to play:*

- *Access the financial records and other relevant information of the municipality,*
- *Liaise with the internal audit of the municipality and*
- *Liaise with the person designated by the Auditor General to audit the financial statements of the municipality.*

**2D.** *other roles of the Audit Committee include:*

- *Providing leadership and direction,*

- Fulfilling with the oversight responsibility of municipal council,
- Maintaining working relationships with municipal council, management and audit committee members.

### 3. GOVERNANCE OF THE AUDIT COMMITTEE

The Sedibeng District Municipality (SDM) Audit Committee shared services held three Audit Committee meetings with management, AGSA and oversight bodies reviewing the 2017/18 financial year audit work on the dates listed below:

<b>Date</b>	<b>Mr. N Swana</b>	<b>Mr. S Mofokeng</b>	<b>Mr. B Kgomo</b>	<b>Mrs. T Moja</b>	<b>Mrs. H Masedi</b>
30/08/2018	Apology	Present	Resigned (01/08/2018)	Present	Apology
11/10/2018	Present	Present		Present	Apology
29/11/2018	Present	Present		Present	Resigned 09/11/2018

The new Audit Committee was appointed with effect from the 01<sup>ST</sup> March 2019 by the Council and held its meetings on the dates listed below:

<b>Date</b>	<b>Mr. T Boltman</b>	<b>Ms. A Noah</b>	<b>Advocate T Bokako</b>	<b>Mr. R Loubser</b>	<b>Mr. M Khosa</b>	<b>Mr. M Nondwan gu</b>	<b>Comments</b>
11/03/2019	Apology	Present	Present	Present	Apology		
10/04/2019	Present	Present	Present	Present	Present		Induction program

26/04/2019	Present	Present	Apology	Present	Present		
24/05/2019	Present	Present	Present	Apology	Resigned		
27/08/2019	Present	Present	Apology	Apology		Present	Mr. Nondwangu appointed 31/07/2019
21/10/2019	Present	Present	Present	Present		Present	
27/11/2019	Apology	Present	Apology	Present		Present	

#### **4. INTERNAL CONTROL AND INTERNAL AUDITS**

The system of internal control was not fully effective and efficient with regards to the Audit Committee and Internal Audit for the municipality for the year under review, as the current Audit Committee was only appointed with effect from the 01<sup>st</sup> March 2019 and the internal audit co-sourced partner appointed on the 18<sup>th</sup> December 2018.

The Audit Committee noted significant internal control deficiencies and recommend that management ensure that the system of internal control is improved going forward.

#### **5. RISK MANAGEMENT**

The Municipality did not conduct any risk assessments in respect of the 2018/19 financial year and risk management was not properly implemented during the 2018/19 financial year. Council appointed a

*member of the Audit Committee to be the Chairperson of the Risk Management Committee; however, the member resigned shortly after accepting his appointment. A new member was appointed after the end of the 2018/19 financial year. The Audit Committee advised management to consider including a Risk Management Unit under the leadership of a Chief Risk Officer on the post establishment of the Municipality.*

*The Audit Committee is of the view that a concerted effort is required to ensure that risk management becomes an integral and embedded process in all activities of the municipality.*

## **6. PERFORMANCE MANAGEMENT**

*The Audit Committee noted the audit findings and recommendations made by the Auditor-General on the reported Performance Management Information and Supply Chain Management of the municipality and trusts that the recommendations will be implemented adequately during the 2019/20 financial year.*

*Furthermore, the Audit Committee advised management to immediately address all the material findings through an Audit Implementation Action Plan dubbed "Operation Clean Audit", which will be reported on quarterly to the Audit Committee and the Municipal Council.*

## **7. EFFECTIVE GOVERNANCE**

*The MFMA imposes a number of responsibilities on the Accounting Officer concerning financial, risk management and internal control.*



*Essential to achieving this, is the implementation of certain key governance responsibilities.*

*The following key governance structures of the Municipality were functional:*

- *Municipal Public Accounts Committee (MPAC);*
- *Mayoral Committee (MAYCO);*
- *Council;*
- *Executive Committee; and*
- *Section 80 Committees.*

*The Audit Committee and Internal Audit structures were also functional from the middle-term of the financial year.*

## **8. COMPLIANCE WITH THE ACTS, THE ANNUAL DIVISION OF REVENUE ACT AND ANY OTHER APPLICABLE LEGISLATION**

*The Audit Committee noted the audit findings on material non-compliance with specific matters relating to key legislation and advised management to adequately implement the recommendations made by the Auditor-General in the 2019/20 financial year.*

**9. PERFORMANCE EVALUATION**

*The performance evaluation of the Section 56/57 Managers reporting directly to the Municipal Manager for the reporting period ended 30 June 2019 was conducted but not completed. The Audit Committee advised management to immediately address all performance evaluations challenges during 2019/20 financial year.*

**10. ANY OTHER ISSUE(S) REFERRED TO THE AUDIT COMMITTEE BY THE MUNICIPALITY**

*None.*

**11. REVIEW OF ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT**

*The Audit Committee reviewed the draft Annual Financial Statements and the draft Annual Performance Report for the year ended 30 June 2019 as presented by management at the Audit Committee meeting held on the 27 August 2019. At that meeting, the Audit Committee advised Management that the draft*

*Annual Financial Statements were not yet ready for submission to the AGSA for audit purposes and that a second review would be required before it was to be submitted to the AGSA.*

## **12. THE AUDITOR - GENERAL OF SOUTH AFRICA**

*The Audit Committee noted the opinion of the Auditor-General on the Annual Financial Statements for the year ended 30 June 2019 and recommends that the audited Annual Financial Statements be adopted by the municipal Council.*

## **13. APPRECIATION**

*The Audit Committee expresses its sincere appreciation to the following:*

- i. Municipal Council,*
- ii. Speaker,*
- iii. Executive Mayor,*
- iv. Acting Municipal Manager,*
- v. Executive Managers and Acting Executive Managers,*
- vi. Management including the entire municipal staff,*

- vii. Auditor-General of South Africa,
- viii. Gauteng Provincial - Treasury,
- ix. Gauteng Provincial - COGTA and
- x. Internal Audit.

**Duly Signed**

**19 January 2020**

\_\_\_\_\_ Date: \_\_\_\_\_

**Mr. Trevor Boltman**

**Chairperson of the Audit Committee**

## APPENDIX G – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long Term Contracts (20 Largest Contracts Entered into during Year 0)					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
BUSINESS CONNEXION	INFORMATION, COMMUNICATION AND TECHNOLOGY INFRASTRUCTURE	11-May-2009	11-May-2012	MR SYDNEY ZWANE	R 6,105,828.60
BUSINESS CONNEXION	INFORMATION, COMMUNICATION AND TECHNOLOGY INFRASTRUCTURE	11-May-2009	11-May-2012	MR SYDNEY ZWANE	R 211,919.89
SHANDUKANI TECHNOLOGIES	WEBSITE MAINTENACE	1-Nov-2011	11-Jan-2014	MR SYDNEY ZWANE	R 90,000.00
WEBB INDUSTRIES	POINT TO POINT LINK SYSTEM	1-Nov-2002	1-Nov-2007	MR SYDNEY ZWANE	R 196,704.00
DBSA	RATANDA ELECTRICITY SUPPLY	30-Jun-2006	30-Jun-2021	MRS SINDI BOYI	5,000,000.00
DBSA	LONG TERM LOAN	16-Jan-2010	16-Jan-2030	MRS SINDI BOYI	9,000,000.00
DBSA	LONG TERM LOAN	16-Jan-2010	16-Jan-2022	MRS SINDI BOYI	4,000,000.00
DBSA	LONG TERM LOAN	18-Jan-2008	18-Jan-2028	MRS SINDI BOYI	35,000,000.00 PLUS INTEREST
DBSA	LONG TERM LOAN	1-Jul-2010	1-Jul-2030	MRS SINDI BOYI	R7,807,015.00
DBSA	LONG TERM LOAN	1-Jul-2010	1-Jul-2030	MRS SINDI BOYI	R16,000,000.00
DBSA	LONG TERM LOAN	1-Jul-2010	1-Jul-2022	MRS SINDI BOYI	R5,171,700.00
ABSA BANK	BANKING SERVICES	13-Jul-2013	30-Jun-2018	MRS MAGDA LAWRENSON	R2,236,800.00

QUIDITY CC	RECORDS MANAGEMENT AND CONTROL OF RECORDS	31-Mar-2010	31-Mar-2013	MRS DUDU TSHABALALA	R4276.11 INCL.VAT FOR THE 1ST YEAR AND BE ADJUSTED ANNUALLY IN CPIX
ENDIPHASE	RE-CONNECTION AND CONNECTION OF ELECTRICAL METERS	1-Jun-2013	1-Jun-2016	MRS SINDI BOYI	BASED ON THE AMOUNT STATED ON THE TENDER DOCUMENT
SCHINDLER LIFTS (SA) (PTY) LTD	REPAIR AND MAINTANANCE OF LIFTS IN LESEDI LM	1-Nov-03	1-Nov-08	MR. JANKIE KHUMALO	R2 104.00 SUBJECT TO ANNUAL ESCALATION
FOCUS FORM	PREPARATION AND PRINTING OF STATEMENTS	6-Sep-12	5-May-15	MRS SINDI BOYI	BASED ON THE AMOUNT STATED ON THE TENDER DOCUMENT
MODE-RES VALUERS CC	COMPILATION AND MAINTENANCE OF VALUATION ROLL AND SUPPLEMENTARY VALUATION ROLLS	1 JULY 2019	30 JUNE 2024	MRS SINDI BOYI	BASED ON THE AMOUNT STATED ON THE TENDER DOCUMENT
The municipality does not have Public Private Partnership					<i>T H.1</i>

## APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
<b>(Executive) Mayor</b>	Cllr Lerato Maloka	
<b>Member of MayCo / Exco</b>	Cllr T Ramothibe	
	Cllr M Motsipe	a)-j)N/A
	Cllr T Motsipe	a)-j)N/A
	Cllr T Moremi	
	Cllr K Rakitla	a)-j)N/A
<b>Councillor</b>	LS Gamede	a)-b)N/A
	PR Mchunu	a)-d) N/A e)Zmatororo Car Wash f)-j) N/A
	MVM Malefela	N/A
	ME Magazi	N/A
	TJ Gama	a)No b)No c)No d)No e)Gamzeni Enterprise PTY f)Taxi Owner g)No h)No i)No j)No
	TP Nyembe	a)-j)N/A
	NT Mofokeng	a)No b)No c)Tokolohong CPA d)No e)No f)No g)No h)No i)MGF j)No
	BV Mogorose	a)-j)N/A
	MK Rakitla	a)-j)N/A
	T Motsepe	a)-b)N/A
	SHAC Paul	a)-h)No i)Salam,Old Mutual j)No
	MV Motsepe	a)-j)N/A

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
	SJ Mnyakeni	a)-c) e)Inkandla Smith Trading PTY (LTD)
	ZS Twala	a)-d)No f)Manyamande Catering & Cleaning
	MS Lukhele	a)No b)Vukasizwe Brick making c)-j)No
	AZ Abdullah	a)-j)N/A
	JM Sabasaba	a)-j)No
<b>Municipal Manager</b>	Vacant	
<b>Chief Financial Officer</b>	Vacant	
<b>Deputy MM and (Executive) Directors</b>	Jankie Khumalo	a)Mareka Helping Hand b)Mareka Helping Hand c)None d)Mareka Helping Hand e)None f)None g)None h)None i)MGF j)None
	Jabu Marwa	a)Sasol Inzalo Shares(20*12) Vodacom Yona Yethu(100*12) b)Mdladla & Aluta Business Development c)N/A d)Same as b above e)-g)N/A h)Own House:Standard Bank i)MGF AID j)N/A



# APPENDIX I – REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
R' 000						
Vote Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Community Services	75 407	72 197	45 913	29 624	-144%	-55%
Vote 2 - Executive & Council	6 290	7 220	8 089	7 535	4%	-7%
Vote 3 - Development & Planning	2 792	3 294	6 034	5 200	37%	-16%
Vote 4 - Budget & Treasury Office	218 209	233 532	235 972	237 918	2%	1%
Vote 5 - Management Support Services	4	1	3	2 779	53%	7%
Vote 6 - Internal Audit	-	-	-	-	0%	0%
Vote 7 - Infrastructure Services	501 101	553 963	559 820	542 144	-2%	-3%
<b>Total Revenue by Vote</b>	<b>808</b>	<b>872</b>	<b>858</b>	<b>825</b>	<b>(0)</b>	<b>(0)</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						
T K.1						

# APPENDIX J – REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Source						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	106 473	110 158	110 739	109 688	0%	-1%
Property rates - penalties & collection charges	–	–	–	–	0%	0%
Service Charges - electricity revenue	273 423	306 050	300 872	292 582	-5%	-3%
Service Charges - water revenue	97 320	113 659	117 000	121 735	7%	4%
Service Charges - sanitation revenue	25 047	29 038	29 516	28 995	0%	-2%
Service Charges - refuse revenue	27 420	31 655	31 499	30 197	-5%	-4%
Service Charges - other	1 178	–	–	1 253	100%	100%
Rentals of facilities and equipment	5 221	4 799	5 259	5 563	14%	5%
Interest earned - external investments	4 488	2 000	2 800	5 493	64%	49%
Interest earned - outstanding debtors	21 554	15 872	22 362	26 070	39%	14%
Dividends received	–	–	–	–	0%	0%
Fines	49 862	45 920	19 145	699	-6469%	-2639%
Licences and permits	42	25	25	21	-21%	-21%
Agency services	–	–	–	–	0%	0%
Transfers recognised - operational	119 098	131 122	138 422	129 388	-1%	-7%
Other revenue	35 587	4 661	7 828	8 544	45%	8%
Gains on disposal of PPE	–	–	–	–	0%	0%
Environmental Protection	–	–	–	–	0%	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>766 712</b>	<b>794 959</b>	<b>785 466</b>	<b>760 227</b>	<b>-4.57%</b>	<b>-3.32%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						
T K.2						

# APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
<b>Equitable share</b>	119340	119340	119340	0%	0%	
<i>Finance Management Grant</i>	1550	1550	1550	0%	0%	
<i>Expanded Public Works Program Integrated Grant</i>	1270	1270	1270	0%	0%	
<i>Libraries plan</i>	3000	3000	1380	-117%	117%	
<i>Expanded Public Works Program (Cogta)</i>	1000	1000	1000	0%	0%	
<i>Department of Public Services and Administration</i>	0	0	1175	100%	-100%	
<i>Grap 17 Compliance</i>	1000	1000	1000	0%	0%	
<i>Integrated National Electrification Grant</i>	8434	10359	1632	-417%	535%	
<i>Energy Efficiency and Demand Side Management Grant</i>	6000	6000	6000	0%	0%	
<i>Water Services Infrastructure Grant</i>	25000	25000	25000	0%	0%	
<i>Recapitalization of Community Libraries Grant</i>	9964	8484	5911	-69%	44%	
<i>Small business development grant</i>	1230	1230	944	-30%	30%	
<i>Performance management system grant</i>	500	500	0	0%	0%	
<b>Total</b>						
<p>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</p>						
						TL

# APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	–	51,607	61,407	44,534	–	–	–
Infrastructure: Road transport - Total	–	10,497	20,275	17,996	–	–	–
Roads, Pavements & Bridges		10,496,800.00	12,000,000	10,789,246			
Storm water		0	8,274,673	7,206,601			
Infrastructure: Electricity - Total	–	13,850	17,066	11,670	–	–	–
Generation							
Transmission & Reticulation		1,800,000	1,800,000	1,277,460			
Street Lighting		12,050,000	15,265,974	10,392,161			
Infrastructure: Water - Total	–	16,000	23,522	14,471	–	–	–
Dams & Reservoirs							
Water purification							

# Capital Expenditure - New Assets Programme\*

R '000

Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Reticulation		16,000,000	23,522,082	14,470,741			
Infrastructure: Sanitation - Total	–	11,260	544	397	–	–	–
Reticulation		11,260,200	544,271	397,340			
Sewerage purification							
Infrastructure: Other - Total	–	–		–	–	–	–
Waste Management							
Transportation							
Gas							
Other							
Community - Total	–	19,338	20,382	11,288	–	–	–
Parks & gardens							
Sportsfields & stadia		15,108,000	15,108,000	10,031,067			
Swimming pools							
Community halls							

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Libraries		3,160,000	4,304,000	1,032,633			
Recreational facilities							
Fire, safety & emergency		100,000		79,754			
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries		910,000	910,000				
Social rental housing							
Other		60,000	60,000	144,997			
Table continued next page							
Table continued from previous page							
Capital Expenditure - New Assets Programme*							
R '000							

# Capital Expenditure - New Assets Programme\*

R '000

Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Description	Year - 1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	–	–		54	–	–	–
Buildings							
Other				54,000			
Investment properties - Total	–	–	2,460	–	–	–	–
Housing development							
Other			2,460,000				
Other assets	–	4,046	6,246	4,219	–	–	–
General vehicles							
Specialised vehicles							

# Capital Expenditure - New Assets Programme\*

R '000

Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Plant & equipment		400,000	866,000	409,203			
Computers - hardware/equipment		2,080,000	2,380,000	984,442			
Furniture and other office equipment		366,000		1,699,565			
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings		1,200,000	3,000,000	1,026,832			
Other Land							
Surplus Assets - (Investment or Inventory)							
Other				98,470			
Agricultural assets	-	-	-	-	-	-	-
List sub-class							



Capital Expenditure - New Assets Programme*							
							R '000
Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Biological assets	–	–		–	–	–	–
List sub-class							
Intangibles	–	928	928	127	–	–	–
Computers - software & programming		927,925	927,925	126,997			
Other (list sub-class)							
Total Capital Expenditure on new assets	–	75,919	91,423	60,222	–	–	–
Specialised vehicles	–	–		–	–	–	–
Refuse							
Fire							

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T M.1
Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year - 1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	–	17,000		–	–	–	–
Infrastructure: Road transport - Total	–	5,000		–	–	–	–
Roads, Pavements & Bridges		5,000,000					
Storm water							

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Infrastructure: Electricity - Total	–	–		–	–	–	–
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	–	12,000		–	–	–	–
Dams & Reservoirs		4,000,000					
Water purification							
Reticulation		8,000,000					
Infrastructure: Sanitation - Total	–	–		–	–	–	–
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	–	–		–	–	–	–
Waste Management							
Transportation							
Gas							

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Other							
Community	–	2,644		–	–	–	–
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries		844,000					
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Social rental housing							
Other		1,800,000					
Heritage assets	–	–		–	–	–	–
Buildings							
Other							
Table continued next page							
Table continued from previous page							
Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							

# Capital Expenditure - New Assets Programme\*

R '000

Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Investment properties	–	–		–	–	–	–
Housing development							
Other							
Other assets	–	–		–	–	–	–
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
List sub-class							
Biological assets	-	-		-	-	-	-
List sub-class							
Intangibles	-	-		-	-	-	-
Computers - software & programming							

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year - 1	Year 0	Planned Capital expenditure				
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Other (list sub-class)							
Total Capital Expenditure on renewal of existing assets	-	19,644		-	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)							T M.2



## APPENDIX P: SERVICE BACKLOGS: SCHOOLS AND CLINICS

There are no service connection backlogs in schools and clinics around Lesedi LM.

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
<b>Schools (NAMES, LOCATIONS)</b>				
N/A				
<b>Clinics (NAMES, LOCATIONS)</b>				
N/A				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				T P

## APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 0				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
Not applicable as the municipality did not make any loans or grants to any entity				
* Loans/Grants - whether in cash or in kind				T R

# VOLUME II: 2018/ 2019 AUDITED FINANCIAL STATEMENTS



# 2018/2019 ANNUAL PERFORMANCE MANAGEMENT REPORT



# 2018/2019 AUDITOR GENERAL REPORT

